

Roundup of Extremists Ordered Gunmen Murder 3 Policemen, Wound 3 in Madrid Attacks

By James M. Markham

MADRID, Jan. 28 (NYT)—Madrid was shaken today by further violence as gunmen killed three policemen and gravely wounded three others in outlying working-class quarters of the capital.

Faced with this deepest challenge so far to his program of political reform, Premier Adolfo Suarez met with his Cabinet in emergency session this evening.

In the last six days, 10 persons have been killed in Madrid and the government has accused "extremists" of attempting to provoke the military and derail its plans to hold parliamentary elections this spring.

Interior Minister Rodolfo Martin Villa immediately ordered the police to round up extremists—apparently of both the left and the right—for questioning. Left-of-center political figures were warned to avoid their regular offices and some went into hiding.

Kidnapping of General
After the kidnapping Monday of Lt. Gen. Emilio Villaseca by a purportedly leftist group, rightist gunmen burst into a Madrid labor office and assassinated five persons.

Today's killing of the three policemen appeared to be the work of a team of four gunmen.

Two gunmen, said to be in their 20s, first appeared at a postal savings bank in the Campamento quarter on the south-eastern fringes of the capital. Without speaking, they entered as customers and opened fire with pistols on two gray-uniformed policemen standing guard, emptying their clips into their victims after the officers fell to the ground.

Two hours later, three gunmen appeared at another postal savings bank, on a messianic of a building in the Los Angeles section, near the highway leading south of Madrid.

Car With Policemen
They opened fire on two Civil Guards standing watch, killing one and wounding another. According to somewhat confused official accounts, as the gunmen left the savings bank a car bearing two other Civil Guards appeared at the scene.

One of the gunmen reportedly tossed a hand grenade at the car, wounding its occupants. The killers fled.

In the confusion following the assaults, the government originally reported that five policemen had been killed. A later communiqué put out by the Civil Guard said that two of its wounded remained "technically alive" and the third was in grave condition.

There were unconfirmed reports that after the killings there had been a shootout between the Civil Guard and gunmen in the San Permin quarter, not far from the second shooting incident, and that three men had been arrested.

Standards of differing political views came in seeing this week's violence as an effort to sabotage the country's movement toward representative institutions.

Where to Place Blame
The disagreement rests on where to place the blame. Those of liberal views consider it a rightist plot to bring down the reformist Suarez government; others see it as a pattern of violence from the extreme right matched by violence from the extreme left.

"The murder this morn'g of agents of public order in Madrid, the afternoon newspaper Informaciones said in a front-page editorial, "is a new link in the chain of violence unleashed by some obscure and powerful international organization trying to interrupt Spain's political progress toward democracy."

The intimate ties maintained between Spanish extreme rightists and their Latin American and European counterparts have added the allegedly "international" dimension to what some see as a plot. But serious commentators have suggested that the U.S. Central Intelligence Agency or the Soviet KGB—or both—could be involved here.

Today's murders were similar in style to the killing Oct. 1, 1976, of four Madrid policemen who were also guarding banking institutions.

Those murders were claimed by the so-called Oct. 1 Anti-Fascist Resistance—a shadowy organization that took its name from that event.

After allegedly committing a number of robberies and bombings, this organization surfaced again publicly Dec. 11 when it kidnapped Antonio Maria de Oriol y Urquijo, a conservative former justice minister. Occurring four days before a national referendum of the government's political reform program, the kidnapping was widely denounced as a provocation.

The kidnappers first demanded that 15 leftist prisoners be freed and flown to Algeria, then changed their demand, saying that the government had only to proclaim a fresh amnesty for political prisoners.

Finally, the kidnappers reduced their terms to asking the government to say that it intended to grant an amnesty—which two nights ago it did.

But, in the meantime, the same group seized Gen. Villaseca, a former army chief of staff who heads the military's highest tribunal, setting off the latest spiral of violence.

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Rejects Boycott, Border Closing

Vorster Bars Any Pressure On Rhodesia for Settlement

CAPE TOWN, Jan. 28 (Reuters).—Prime Minister John Vorster of South Africa said today he had not and would not put pressure on Rhodesia to accept a dictated solution of its independence dispute.

"Demands to shut our borders and impose boycotts cannot be acceded to because they are contrary to the policy of this government," he told Parliament here.

Mr. Vorster said he would rather risk the outcome than act dishonorably toward his white-ruled neighbor.

"Pressure will be exerted on South Africa to exert pressure on others," he said. "I would rather bear the consequences."

"It is wrong to misuse that sort of power to force a man to do something against his will," he added.

The Prime Minister, responding in a weeklong debate on an opposition no-confidence motion in the House of Assembly, said demands for him to put pressure on Rhodesia's Prime Minister Ian Smith had been made recently at the United Nations, in U.S. Senate circles and elsewhere.

Asked if similar demands had also been made on him by British Rhodesia conference chairman, Ivor Richard, Mr. Vorster said he was not prepared to give names to the House.

He said black states wanted South Africa to tell the Rhodesian government to settle for black rule on any terms that might be dictated by the Patriotic Front of nationalists, led by Joshua Nkomo and Robert Mugabe—"in effect, to submit to the terms of the front-line presidents."

This was a reference to the leadership of black states committed to ending the Smith government's 11-year-old seizure of independence from Britain.

Mr. Vorster said he had not forced Mr. Smith to see U.S. secretary of state Henry Kissinger last September.

"Mr. Smith requested me to do everything in my power to get him an interview with Dr. Kissinger so that he could put his point of view personally to the U.S. secretary of state," Mr. Vorster said.

"In spite of this, people say the South African Prime Minister dragged him to see Kissinger and forced Mr. Smith into these talks," he told the house.

Tanzania Urges Talks Continue
DAR ES SALAAM, Jan. 28 (UPI).—Tanzania today urged Britain to continue the Geneva conference on Rhodesia despite Mr. Smith's rejection of London's latest proposals.

A decision to halt the suspended Geneva talks would leave Britain "discredited for all time as an effective force in the removal of minority rule in Zimbabwe (Rhodesia)," identical editorials in two government newspapers said.

Identical editorials in the papers are normally written by the staff of President Julius Nyerere, widely regarded, in respect to the Rhodesian issue, as the key black African leader. A ranking government official confirmed they indeed "represented Tanzania's official position."

The editorials said: "Smith pulled out of the talks and the answer to that can only be, 'So what.' His absence is not a reason for the talks to be abandoned."

In a brighter report, the Commerce Department said its index of leading economic indicators posted its biggest gain in 17 months in December. The index is designed to show the future economic trend. Story Page 9.

Six Czechoslovaks Reported To Refuse to Go Into Exile

PRAGUE, Jan. 28.—Six Czechoslovak intellectuals rejected today an invitation to leave the country, dissident sources said.

The sources said playwright Pavel Kohout, former Foreign Minister Jiri Hajek and former politician Zdenek Mlynar, Frantisek Kriegel and Milan Hudec were offered exit visas when they answered a summons to appear at the passport office. All refused the sources said.

Writer Ludvik Vaculik did not answer the summons, on the ground that he had never asked for travel documents, the sources said.

Dissident sources said Mr. Kriegel, a former party Presidium member and chairman of the National Front, flatly rejected the offer in a conversation lasting about five minutes.

Mr. Mlynar, a former Communist party secretary, was said to have tried to answer the offer with a prepared statement. The officials stopped him, insisting they were not competent to discuss political matters.

Mr. Kohout was said to have mentioned the threatening letters and to have stressed that people confronted with such prospects as a lifelong exile should not be asked to simply answer "yes" or "no." He has reportedly told friends he would leave only "on a stretcher."

The sources all said that the passport officials' behavior was correct at all times.

Informed sources said there were major differences of opinion within the Communist party over whether to expel the dissidents by force. Mr. Hudec was of the opinion the authorities were not yet prepared to take the "extreme" step of expulsion, dissident sources said.

All were signatories of Charter 77, a manifesto calling for the application in Czechoslovakia of human rights guaranteed by the Helsinki accord and the Czechoslovak Constitution.

Six other leading dissidents who signed the charter, including playwright Vaclav Havel, are being held pending trial, four of them on charges connected with the manifesto.

Czechoslovakia has officially asked the Austrian government to confirm whether it would grant asylum to 6 dissidents and their families, but Chancellor Bruno Kreisky said in Vienna it would be granted only if they personally request it.

Sakharov Seen 'In Danger'
MOSCOW, Jan. 28 (AP).—Four dissident writers said today in a public statement addressed to world leaders that the Soviet human rights champion and 1975 Nobel Peace Prize-winner Andrei Sakharov is in "mortal danger" and asked that they use their influence to defend him.

The statement, distributed to Western newsmen, was addressed to President Carter, Queen Elizabeth II of Britain, Pope Paul VI, French President Valéry Giscard



OUT IN THE COLD—A lone pedestrian makes his way across a downtown Cleveland street after all businesses were closed because of a combined gas shortage and blizzard. The temperature? Fifteen (F) below zero.

Fuel Short in N.Y., Ohio and New Jersey

3 U.S. States Declare Crisis in Cold Snap

NEW YORK, Jan. 28 (UPI)—New York, New Jersey and Ohio declared energy emergencies last night because of shortages of natural gas in the face of what is expected to be one of the coldest weekends of the year.

The declarations of emergency covered a population of more than 36 million.

A National Weather Service spokesman said a mass of cold air "straight from the North Pole" would produce zero and subzero temperatures in much of the Northeast and parts of the Southeast during the weekend.

In Ohio, the declaration by Gov. James Rhodes closed all schools served by the state's four gas utilities and forced an estimated 250,000 workers off their jobs.

In Pennsylvania, 2.6 million children and their teachers are out of schools for at least three days. State officials predict a continuation of the closings when the decision is re-evaluated Monday.

In the New York metropolitan area, industrial curtailments were being instituted to try to preserve gas service to homes. In Ohio, the Public Utilities Commission warned that some communities could lose all gas service if subzero temperatures occurred.

In Virginia, as many as 30,000 workers may be laid off and hundreds of schools closed. The state Corporation Commission ordered gas withheld from schools, factories and other non-essential customers in an eastern area including Richmond and Norfolk. The two-week curtailment, originally slated to begin Monday but moved up because of the weather forecast, will affect 20 million persons.

The first freezing of the Ohio River in 30 years continued to stall dozens of barges loaded with fuel oil, road salt and other products in short supply. Some communities in Pennsylvania have reported running out of heating oil and officials fear the shortages could sweep across the upper Middle West.

The prospect of a more widespread fuel-oil shortage loomed. The American Petroleum Institute reported yesterday that inventories continued to drop last week and the Petroleum Industry Research Foundation warned of serious problems from continuing cold weather and gas shortages. In Pennsylvania, (Continued on Page 2, Col. 1)

Find Could Affect Peace Talks

Israel Believed Near Oil Discovery Off Sinai

By Dial Torgerson

RAMADAN FIELD, Gulf of Suez, Jan. 28.—Israel may be close to a new oil discovery in the Gulf of Suez that could alter the course of Middle East peace talks.

The Israelis are drilling off the western shore of the occupied Sinai Peninsula in an area geologists say is highly promising. Israeli officials said "positive signs" of oil have been found.

If the Israelis find oil before the proposed Geneva peace talks with their Arab foes, it will give them a new card to play at the negotiating table and perhaps a reason for not wanting to return the Sinai to the Egyptians.

The Gulf of Suez project is little known.

Others Driven Off
First, the Israelis drove other oil prospectors from the east side of the Gulf at gunpoint. An incident Sept. 2 came close to a shooting.

Then the Israelis moved in their own rig—one that once was used by the U.S. Navy—and drilled in the Gulf of Suez. The rig is named Springfield after the South African galleon, it is named by Israelis and Syrians working under cover of firms existing mainly on paper.

Any oil man or contractor known to be working for the Israelis faces blacklisting in Arab nations. Despite this, the Israelis have managed to enter the sophisticated field of offshore drilling.

From the producing Ramadan field, operated by an Egyptian-Saudi consortium, pipelines lead to the midpoint of the 16-mile-wide Gulf. The Israeli rig can be moved eight miles across the deep blue water close to shore, guarded round the clock by an Israeli patrol boat.

"They started in December, so they ought to come to next month, when they get down 10,000 or 12,000 feet," said a U.S. oil man at Ramadan. "We will know if they've hit it when we see their gas flare go."

U.S. Is Quiet
The United States has been quiet about the Israeli ventures in the Gulf, despite the fact that:

• The Israelis, without legal announcement, have taken over the east side of the Gulf, which lies between the Egyptian homeland and the occupied Sinai. It

is a de facto presence proclaimed by the bullhorns of Israeli patrol boats. They have driven off any non-Israeli work boats bent on new drilling, and now even Suez Canal freighters passing in the Gulf stay on the western side to avoid them.

• In the incident Sept. 2, an Israeli flotilla faced down two Egyptian boats and drove the U.S. Marines-1 drill rig back toward Egypt after destroying marker buoys with gunfire—and, U.S. oil men said, threatening to set the \$60-million Marine rig afire by machine-gunning its tow line.

U.S. refuses to recognize Israel's claims. The Marine was seeking to drill just east of the Gulf midpoint on a 1964 Egyptian lease to the Gulf of Suez Petroleum Co.

Half of GUPCO is owned by Egypt's government oil firm, the (Continued on Page 2, Col. 4)

Pentagon Surprises State Department

Libya Added to U.S. 'Enemies List'

By Robert Siner

WASHINGTON, Jan. 28 (UPI).—The Pentagon has added Libya to the list of potential enemies of the United States to the surprise of the State Department.

Listed right after the Soviet Union and China, and bracketed between North Korea and Cuba, in the annual Defense Department report to Congress, is Libya. Its armed forces number 30,000. Commenting on the report, signed by former Defense Secretary Donald Rumsfeld on Jan.

17, a Pentagon spokesman cited Libya's "irreconcilable support for international terrorism" and President Moamer Qadhafi's "material and political support for Palestinian guerrillas, the Irish Republican Army and other terrorist groups."

The State Department has often expressed its unhappiness over Libyan support of hijackers and other terrorists, and the Senate, in its resolution against terrorism passed last August, specifically named only Libya.

However, State Department officials were surprised by the inclusion of Libya on the "enemies list" and predicted that the already icy relations between Washington and Tripoli would become even more frigid.

China 'Uncertain'
Despite references to terrorism, the Rumsfeld report listed Libya as an enemy in a conventional military sense.

A section of the report headed "Foreign Military Capabilities" names the Soviet Union as the "greatest threat to the United States."

The researchers are beginning to look for ways to keep their subjects "involved with the environment." A motorist may do this by switching on the radio or, better still, talking to his passenger.

Train engineers in some parts of Germany, Dr. Cooper said, are required to punch a button regularly. If they do not, a horn goes off in their car. If this brings no response, the train stops automatically.

A more subtle approach would be an alarm set off by a physical symptom such as change in eyelid droop or brain activity. There may come a time when the long-distance truck driver first fastens his seat belt, then attaches electrodes to his scalp. These might be attached to a dashboard device to awaken him should he doze off, the researchers said.

The researchers have run out of friends and colleagues to experiment on, and are now offering out-of-work men at the local employment exchange \$4 (\$6.00) and lunch to spend a day taking psychological tests in the morning and being bored in the afternoon.

Dr. Cooper denied that the meal of egg and french fried potatoes is meant to increase the boredom factor.

A volunteer stayed alert in the black room, emerged quite cheerful and told researchers he had been watching so much daytime television during his unemployment he had found the task simple.

along with the black-room experience, none have fallen asleep or run screaming from the room, but many have "drownded."

Dr. Cooper believes that people dealing with a constant flow of unchanging information switch into what he calls an "automatic mode."

But to cope with the unusual—the blip on the radar screen or the boulder on the motorway—one must switch immediately into the "interactive mode," he said.

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Common Market Commissioner Says in Interview

Arab World Has Replaced U.S. as EEC's Principal Outlet for Trading

By James Goldsborough

BRUSSELS, Jan. 28 (UPI)—The Arab world has now replaced the United States as the European Economic Community's major trading partner, according to Claude Cheysson, the EEC's commissioner in charge of aid and development. This helps to explain Europe's frequent pro-Arab posture.

In a wide-ranging interview timed to coincide with the European visit of Vice-President Mondale, Mr. Cheysson explained his view of what the United States must do to get world economic growth moving again, in the developing countries as well as the industrialized world.

Mr. Cheysson has been a key figure in the North-South dialogue, the negotiations among oil-producing, developing and industrialized nations that began early last year but were postponed last month to await the new U.S. administration. They now are expected to resume this spring, soon

after the economic summit meeting that will bring President Carter together for the first time with leaders from Western Europe and Japan.

New World Order

Just reappointed to the new European Commission, Mr. Cheysson has led many of the EEC's negotiations with the Third World and is a principal spokesman for what is called "the new world economic order."

Question—Whatever happened to the North-South dialogue?

Answer—As it has gone on, much good work has been done in terms of analyzing the problems that face us. And, in the meantime, attitudes in our countries have been changing. Our governments now realize that we need working agreements with the developing countries on all aspects of commodities, transfer of resources, opening up of their markets, etc. The economic crisis has changed the attitudes of the

industrialized countries; this is clear for France, Germany, Italy, all of Europe and possibly Japan. There is now a much greater concern on the economic order of the world tomorrow.

Q—Why is Europe so concerned about this? Because of its energy problems?

A—One reason is that during the past three years the Arab world has become the European Community's No. 1 customer. It now represents 13 per cent of our exports. The United States only about 11 per cent. But the rate of growth has multiplied by four with the Arab world, while it is declining with the United States. And what is happening with the Arab world could happen in other developing countries if only they had the financial means to make the purchases from us. All our governments and industrialists have discovered this. I don't know how many subways French prime ministers have sold in Third World countries lately. Nobody even thought

of visiting those countries 10 years ago.

Q—You're finding a new economic interdependence?

A—Not us alone. Take the share of the U.S. gross domestic product that now goes into exports and compare it to 1960. The percentage has been about doubled, from 6 to 11 per cent. For Europe it is even a greater increase.

Q—What is happening between Western Europe and the Arab world is taking the place of what we once thought would happen between Western and Eastern Europe, isn't it?

A—It hasn't replaced it because our trade with Eastern Europe is still growing, but not at the same rate as with the Arabs. Eastern Europe presents problems, because it imposes conditions. For example, most of the factories we sell to Eastern Europe are sold on the condition that we buy a substantial part of their production. Q—How can this new interdependence develop when much

of the world has not completely recovered from the recession?

A—I am convinced that the least deflationary method of recovery, with the least inflation, is in the Third World markets. The money we can pour in there can have the same impact on our production without having the direct inflationary effect of added consumption on our economies.

Q—But how rapidly does this transfer of resources have an effect on our own economies?

A—Very rapidly. When the oil prices first went up three years ago, the EEC made a gesture, little appreciated in Washington at the time. We offered to put \$500 million in a pot, provided that other industrialized countries and the oil producers would put the balance to make up a \$2-billion fund. Washington never followed, but the others did and the \$3 billion was made. But what is interesting is that that money, pumped into the developing countries worst hurt by the oil-price increases, resulted in

purchases from us of much more than \$3 billion. It was an almost immediate return, just as fast as if you had pumped the money into your own economies. But without inflation.

Q—It is rather a new approach to try to get out of a recession through investing in another country, isn't it?

A—That's right. The problem is that it is still being done in the old style, through export credits, which is nonsense. Those developing countries with their potentially huge markets already have passed their infatuation with export credits. It is sheer hypocrisy to increase export credits to India and such countries when we know they can't be repaid. Why pretend it is credit when it will turn out to be grants? I prefer to call it grants, and link it to economic recovery.

Q—There is also an arms problem here, isn't there? I mean that much of the exchange is in the form of arms purchases.

A—I agree entirely. When it

comes to arms, we already have adopted the approach I have described. I would prefer to see the exchange made in the form of equipment, of capital goods. Q—What about linking the Communist nations into this exchange?

A—The Eastern Europeans play no part in this at all. They contribute almost nothing to development. The total amount of grant aid coming from Eastern Europe is less than \$1 billion annually, whereas the OECD countries provide between \$14 billion and \$15 billion and the oil producers already are providing between \$4 billion and \$5 billion. And we accept that.

Q—But isn't it to the West's advantage that the Communists stay out of it?

A—No, it isn't. Because everybody in the Third World is convinced they are making a great effort.

Q—It shouldn't be beyond the West's collective ability to convince the Third World where its true interests lie.

A—The Third World knows. But it is not known by public opinion. And many Third World nations with nationalist movements, in the first stages of independence in particular, are convinced they can rely on Eastern Europe for support, not only in their development but in their defense. But participation by Eastern Europe also follows from détente. If there is détente it means that East and West are going to work together on these important problems.

Q—On commodities, too?

A—Yes. Tell me how we can have commodity agreements with the Third World without knowing where the Communist countries stand? They buy something like 20 per cent of natural rubber coming from the Third World. Are we going to make an agreement on rubber without knowing what they are going to do? Give them a chance to play on the risks concerning stocks, prices and so on?

Q—You want to link the Communists to the North-South talks?

A—It could be done in the North-South talks, but it could also be done bilaterally. When you Americans make an agreement with the Soviet Union on grain, it is really market management. I know you don't like that expression, but that's what it is. But in any event, Eastern Europe should be part of a new world economic order.

Q—What of the U.S. role? We know that the Ford administration never did much for the North-South talks. What can the new administration do?

Ford U.S. Record

A—The United States must accept that capital development is essential in the Third World. The record of the United States over

the last few years has been very poor. The United States also can help to bring Eastern Europe into the dialogue. It is the United States that has the best dialogue with Moscow. It is this dialogue that can bring détente into the Third World and this is necessary for development.

Q—You talk as though the EEC and United States agreed on everything. But they are largely competitors, aren't they?

A—Of course, but it is in the Third World where this competition is least difficult for them. Our interests are not the same. Europe imports 75 per cent of the commodities it consumes; the United States only 15 to 17 per cent, including energy. Europe needs to enter into the kind of integrated cooperation with the Third World which the United States is not ready to accept. The United States probably won't go much farther in guaranteed access to its markets, for example, such as we have done by treaty with the developing nations under the Lomé convention (1975), which includes all the issues of quotas, financing, transfer of technology, export development and so on.

Q—How do you judge the first actions of the new administration?

A—Very encouraging. The first statements have been clear against protectionism. I don't want to blame your previous administration on that. They were very brave. If at times there were a few moves toward protectionism, it was under the great political duress of lobbies, but they resisted very well. And we at the Commission are very good judges because we are the ones who discuss all the issues with them. The interest of the United States toward the Third World is mostly political. Ours is mostly economic. But the Americans can understand our problems and they can help tremendously.

Giscard Urges Union

STRASBOURG, Jan. 28 (Reuters)—French President Valéry Giscard d'Estaing today called on his Common Market partners to shrug off their difficulties and get back on the road to economic and monetary union.

In a speech inaugurating the new Council of Europe headquarters here, Mr. Giscard d'Estaing said economic and monetary union must be given the central place it deserved in the nine-nation community.

"This is why I proposed that the European Council [the regular summit meetings of 1950 leaders] should hold a special meeting at the end of the year to take note of any progress achieved toward balancing the economies and to define how best to resume economic and monetary union," he said.

Good Harmony

LONDON, Jan. 28 (Reuters)—It was the usual black-tie dinner in honor of Mr. Mondale until Britain's Prime Minister James Callaghan decided to add a musical spicing to the occasion.

The British leader pushed back his chair and gave a credible performance of the waltz "The Blue Danube" to the accompaniment of a small orchestra.

Obviously intending not to be outdone at this occasion, Mr. Mondale then pushed back his chair and gave his own version of "I Belong to the Sea," a Scottish drinking song.

The cheers had hardly died down when Anthony Crookland, Britain's foreign secretary, leaped to his feet and burst into a soulful intonation of the Welsh song "Land of My Fathers."

Soon everyone at 10 Downing Street, the residence of British prime ministers, was singing his own favorite song.

Japanese Decide

On 12-Mile Limit

TOKYO, Jan. 28 (Reuters)—The Japanese Cabinet today decided to extend Japan's territorial waters from 3 to 12 miles.

The Japanese have been considering extending their territorial limits for more than 10 years. Since the revision of British prime ministers, was singing his own favorite song.

The Vice-President said that he detailed some of the energy programs that will soon be announced by President Carter, including a new department of energy that will focus on conservation and energy development.

Mr. Mondale also stressed Mr. Carter's hope for international cooperation in energy research and development through both the OECD and the International Energy Agency.

Earlier, Mr. Mondale was greeted at his hotel here by several hundred persons, mostly Americans. The Vice-President thanked, shook hands with them, up to 12 miles.

In Reply to Senators

Vance Links Ties With Cuba To Fate of Political Prisoners

WASHINGTON, Jan. 28 (UPI)—Secretary of State Cyrus Vance has told the Senate that the chances of normal relations between the United States and Cuba would be improved if Cuba released its political prisoners, some of whom are U.S. citizens.

In a letter to Sen. Clifford Case, R-N.J., Mr. Vance said yesterday that if the Castro regime wanted normal diplomatic and trade relations with the United

rest of the winter, shortages could develop.

States the outlook would be enhanced by setting free the political prisoners.

Sen. George McGovern, D-S.D., estimated after a trip to Cuba last year that nine U.S. citizens were prisoners in Cuban jails.

The most celebrated of the prisoners is Maj. Huber Matos. He was in the mountains as one of Fidel Castro's hardest-fighting guerrilla chiefs before the fall of the Batista regime and Mr. Castro's take-over in 1959.

But Maj. Matos, as military commander in Camaguey Province, soon publicly denounced the Communist trend of the new revolutionary government. Mr. Castro immediately had him arrested and even testified at the trial in which Maj. Matos was sentenced to 20 years in prison.

Maj. Matos, whose wife lives in New Jersey, has never recanted or sought mercy in 17 years in jail. His conduct has made him a hero to anti-Castro Cubans, of whom more than 300,000 now live in this country.

Chile has offered to exchange an imprisoned Communist party leader, Jorge Morales, for Maj. Matos in a deal like the one between Chile and the Soviet Union in which Communist leader Luis Corvalan was exchanged for Soviet dissident Vladimir Bukovsky.

Mr. Vance's comments were in the form of a response to additional questions for the record of his recent confirmation hearing before the Senate Foreign Relations Committee. Sen. Case asked Mr. Vance if the atmosphere for such talks might be improved if Mr. Castro freed Maj. Matos and let him join his family in the United States. Mr. Vance replied that it would help.

The release of the other political prisoners, including the U.S. citizens, "as a gesture of goodwill and as a humanitarian act would be one indication that Cuba is seriously interested in starting a dialogue with the United States," Mr. Vance said.

Libya Joins 'Enemies List'

(Continued from Page 1)

States." It then says that the future stance of China "remains uncertain" but that it cannot be wholly ignored for purposes of military force planning.

The report continues: "Other and lesser powers may choose to challenge the interests and allies of the United States. North Korea, Libya and Cuba are only the most obvious of these powers. Such challenges may become more dangerous in the period ahead."

The report did refer to an increase in "the incidence of terrorism, possibly fostered by less responsible leaders of some nations," but since this was in a different section than the Libya listing and since Libya was not specifically mentioned in this context, any conclusion on why Libya was suddenly included in the Pentagon list drawn from the language of the report would have to be purely inferential.

Defense Explanation

When asked about the inclusion of Libya along with North Korea, which has threatened a U.S. ally, South Korea, for more than 20 years, and Cuba, which is considered a possible danger to the U.S. mainland and Puerto Rico, not to mention its intervention in Angola and attempts to foster revolution in South America, the spokesmen said that during the last year Libya has threatened a number of moderate Middle East and African nations friendly to the West.

The spokesman added that, with its oil income, Tripoli has purchased from the Soviet Union more weapons than it needs for defense, lending "credibility" to its "threats against neighboring Arab and sub-Saharan states."

However, since none of the countries threatened by Libya is tied to the United States by treaty, the United States is not obliged to regard Libya as an enemy for acts against them.



FEAR FIGHTERS—Graduates of a New York program designed to overcome the fear of flying toast themselves a 406-mile graduation flight Tuesday from New York, down the New Jersey coast, over Pennsylvania and back to New York. The trip and the champagne were free; the five-lecture course costs \$100.

Only Eight Miles From Frontier

Israel Expects Syria to Quit Lebanon Area

JERUSALEM, Jan. 28 (AP)—Israel expects Syrian forces to move out of the strategic southern Lebanese zone bordering on Israel within a few days, government officials said today.

Foreign Minister Yigal Allon said that by moving troops into the Lebanese town of Nabatieh, only eight miles from the Israeli frontier, "Syria has come dangerously close to violating the limitations" Israel has demanded on Syria's involvement in the war.

Nabatieh falls inside the so-called red line for Syrian involvement in neighboring Lebanon—a limit beyond which Israel has threatened to step in militarily. In contacts with Washington, Israel was assured that Syria entered Nabatieh merely to collect arms from the opposing sides in the civil war—a task that fits in with Syria's official role as part of the Arab peace-keeping force in Lebanon, the officials said.

They added that Israel was prepared to wait a few days and check, meanwhile, whether the Syrians indeed were limiting themselves to arms collection and planning to quit Nabatieh when the task was finished.

Mr. Allon told the daily newspaper Yediot Aharonot that "Israel maintains the moral right and the operational strength to safeguard its security interests along the Lebanese border."

BEIRUT, Jan. 28 (UPI)—Israeli warnings against Syria provoked an accusation by the Lebanese house speaker, Kamel Assaad, that Israel wanted to occupy the area.

Mr. Assaad, a deputy from the southern border region, called the issue a "time bomb" that could explode conflict throughout the country if security were not established.

He said on the state-run Beirut radio that the south was a "point of confrontation with Israel defiance since it is land that Israel wants to occupy."

Meanwhile, the peace-keeping army moved to consolidate security.

French Slap at Rhodesia

PARIS, Jan. 28 (AP)—The French government has closed the Rhodesian information office in Paris in what officials said yesterday was an application of United Nations sanctions.

curity by taking control of all ports along the coast in areas under its control to put an end to the illegal and duty-free entry of weapons, fuel and merchandise.

Israel Is Believed To Be Close To Oil Discovery in Suez Gulf

(Continued from Page 1)

Egyptian General Petroleum Corp. and the other half by a Standard Oil Co. of Indiana subsidiary, Amoco International. The Springfield is drilling on an Egyptian Amoco lease granted by Egypt in 1974. Israeli troops overran and occupied the Egyptian Sinai in the 1967 war.

A State Department official said that the United States contends Israel's drilling is a violation of the 1907 Hague convention on rights of an occupying power.

"Occupation forces may tap existing resources but are enjoined from exploiting new ones," an official said.

The State Department has filed no official protest with Israel. Standard Oil has informed the department of what it calls "increased harassment" and "an increasingly aggressive attitude" by the Israeli Navy. Egypt has asked U.S. Ambassador Hermann Eilts to seek U.S. action to prevent the Israeli drilling.

"It is a very delicate matter," said a State Department official in Washington. "We are in touch with the Israelis on various levels." He indicated it would be a matter of high priority for the new administration and Secretary of State Cyrus Vance.

Many Israelis have never forgiven former Secretary of State Henry Kissinger for insisting that Israel return Egypt's Abu Rudeis refinery on the Sinai coast north of here as part of the 1975 Sinai disengagement agreement.

Abu Rudeis produced about 75,000 barrels of oil a day—about half Israel's needs, some said. The crude was transported by tanker around the tip of the Sinai Peninsula and up to Elilat, the Israeli port on the Gulf of Aqaba. Israel said it cost \$500 million a year to replace the Abu Rudeis oil. Israel gets most of its oil from Iran, supported

The port of Tyre is the only major harbor that has not yet been entered by the force. It is south of the Litani River about 18 miles north of Israel.

by U.S. aid.

The Israeli said their claim to the Gulf's eastern side is an extension of their control to the midpoint of the Suez Canal. In the 1967 war, when the Israelis drove Egypt from its Sinai territories, it took over everything up to the midpoint.

"We held to the midline there," said the Israeli official, "and held by extension that the same criteria was valid for the Gulf south of the Canal. We exercise control on the basis of 10 years' practice in these waters."

A Foreign Office spokesman in Jerusalem said legal experts were analyzing The Hague protocols but were not prepared to respond immediately to the U.S. view that it bars Israel from exploration.

Israel is also drilling on the Sinai shoreline two miles from where the Springbok is working. The state oil company announced this week that the crews discovered "oil indications."

Power Diversification

HADRA, Israel, Jan. 28 (UPI)—Minister of Commerce and Industry Haim Barlev said today Israel was going over from oil to other fuels to generate electric power and its dependence on oil will decline in the next decade from 100 to 33 per cent.

The first diversification project is a \$500-million coal-burning power plant that has been going up here during the last year.

Mr. Barlev said a new 35-megawatt generator will go into operation in 1980 and another one annually for four years. By 1983, the plant here will supply one third of the country's power.

Speaking at a ceremony at the plant site, he said "oil has become a political weapon but coal is not."

Norway Ousts Six Russians For Spying

OSLO, Jan. 28 (UPI)—Authorities have broken up a Soviet espionage ring, arresting a woman Foreign Ministry official and ordering six Russians, including the Tass news agency correspondent out of the country, Premier Odvar Nordli said today.

Officials said that the case was the most serious espionage incident in Norway since the end of World War II.

The Foreign Ministry identified the arrested official as Mrs. Gunvor Gelling Haavik, 66, who has worked in the ministry since 1946. From October, 1947, until February, 1956, she was attached to the Norwegian Embassy in Moscow. Since then, she has worked in Oslo, dealing with trade and political matters.

Mr. Nordli said that she was arrested yesterday after meeting a Soviet diplomat and his driver. Three diplomats attached to the Soviet trade mission, and the Tass correspondent, were also ordered out of Norway, Mr. Nordli said.

Long Probe

The Premier refused to give details of the case but said that the investigations could take a long time to complete. The prosecutor's office said that Mrs. Haavik will be held in detention for 12 weeks and will not be allowed any visitors or her lawyer. If she is found guilty, she could be sentenced to up to 12 years in prison.

The last Soviet espionage case broke in 1972 when a 25-year-old Norwegian working in the Moscow Embassy was arrested after he returned to Norway and was sentenced to seven years in prison for giving confidential documents to the Soviet secret police.

Mrs. Haavik was asked after she had a meeting with a Soviet Embassy third secretary, Alexander Printzpalov, according to a Foreign Ministry communiqué.

The ministry said that Mr. Printzpalov, Alexander Dementiev, Igor Zachetinskiy, Evgeny Klimanov and the driver at the embassy had been declared persons non grata.

The Tass correspondent in Oslo, Evgeny Zoln, has also been ordered out of the country, it said.

Emergency In 3 States

(Continued from Page 1)

state officials are diverting gas, enough to heat 50,000 homes, partly to industry, which has already lost virtually all of its gas service, so that cracking of molds and desaturation of furnaces can be avoided. With 50,000 persons out of work in Pennsylvania and another 50,000 layoffs predicted for this weekend, the loss of this supply would mean weeks rather than days of joblessness.

Part of the saved gas would also be diverted to residential users who, for the first time in this crisis, face a serious possibility of losing service, according to state officials. Gas experts fear a loss of distribution pressure this weekend because of the great demand, and restoring service to homes might require individual house calls, a process that could take days.

However, drastic Pennsylvania measures officials there and across the country concede that the measures will probably not be enough to reverse the loss of millions of dollars in income and will certainly not alleviate the financial and personal burdens of the cold winter.

Deep and Lingering

Economists have not yet estimated what the combined impact of cold weather, high energy bills and shortages is likely to be on the economy, but early reports, ranging from steel production to retail companies, indicate that the effect will be deep and lingering.

Overshadowed by the widening gas shortage, but equally worrisome to energy experts, are declining supplies of home heating oil, particularly in the Northeast and upper Midwest.

In its report yesterday, the Petroleum Industry Research Foundation calculated that, if the reduction of supplies of the last five weeks continued through the

Rights Unit Urges

Israeli Prison Reform

LONDON, Jan. 28 (AP)—Amnesty International expressed concern yesterday to Israel's attorney general about reports that Arab prisoners in Israeli prisons are on a hunger strike protesting prison conditions.

A prisoner has died due to the strike, the London-based civil rights group said. The group urged the Israelis "to do everything possible to prevent further deaths by initiating immediate improvements in prison conditions as recommended by the International Committee of the Red Cross."

Corvalan Gets Award

BERLIN, Jan. 28 (UPI)—East Germany today awarded Luis Corvalan, head of the Communist party of Chile, the Karl Marx Order, the highest in the country, the East German news agency said.

NEW YORK'S

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Youth Killed at School Rally

U.S., British Centers Attacked by Students in Addis Ababa

By David B. Ottaway

ADDIS ABABA, Jan. 28 (UPI)—Student demonstrators stoned and attempted to set afire the U.S. and British cultural centers here today in a fresh upsurge of anti-government activities that left a youth dead and at least four others injured.

The city remained outwardly calm but extremely tense to night following a day of widely scattered incidents involving striking students who carried out hit-and-run attacks on the two centers and held small demonstrations at several high schools.

Army jeeps carrying machine

guns and rifle-equipped police men were patrolling the streets. Police and heavily armed soldiers opened fire at three high schools in an attempt to break up student gatherings this morning. The government made no official statement regarding casualties but in one incident a student was known to have been fatally shot and four others injured.

Brief Demonstrations

No injuries were reported in the brief demonstrations outside the U.S. and British cultural centers. Groups of 30 to 90 students first smashed windows

with stones and then tried to set afire the offices either by pouring gasoline inside the buildings or throwing firebombs. The attempts did not succeed.

The U.S. and British centers were closed afterward for the rest of the day.

It was the first time in almost three years that demonstrators have attacked the U.S. cultural center. The students shouted anti-imperialist slogans and apparently attacked the center because of the U.S. government's continuing support of the Ethiopian military government.

The upsurge in opposition

activities in the capital, the worst in months, appears to be directly linked to recent government military reverses in fighting rebels in northwest Begemdir Province and the secessionist Eritrean Liberation Front in Ethiopia's northernmost Eritrea Province.

The government has lost four garrisons and three towns in these areas in the last three weeks and several others are seriously threatened. It has launched a counteroffensive to retake some of the ground lost in Begemdir but remains blocked by the far stronger rebels in

Eritrea.

Politics of Protectionism

The shoe manufacturers are back, wringing their hands, weeping and calling piteously for protection from imports. They are forcing the first real test of President Carter's declared intentions to keep U.S. markets open to world trade. If he imposes tariffs and quotas, the prices of many kinds of shoes will rise and the range of choice for consumers will shrink. When the shoe industry pressed this same claim a year ago, President Ford turned them down. Now, with a new administration in power, they are trying again. They've been back to the International Trade Commission—a weak agency, excessively responsive to the Senate Finance Committee—and the ITC recommended an awkward formula of quotas and higher tariffs. That recommendation now goes to the White House.

The issue casts a long shadow. How much responsibility does society have to preserve an individual citizen's job? How much of a cost can properly be put on consumers in general to save a specific factory? Is it right to save one person's job through public action that may also jeopardize the job of someone else? Perhaps you have never fully considered the philosophical implications of the shoe trade.

First, the trade-off in wages and subsidies: The ITC calculates that its tariff-and-quota proposal would create perhaps as many as 10,000 jobs in the U.S. shoe industry as the supply of imports dropped. The cost in higher prices to U.S. consumers would be, also according to the ITC, about \$170 million a year. That works out to \$17,000 a year per job—which, as it happens, is something over twice the average production worker's wages in the shoe industry. As a formula for protecting the nation's prosperity, that doesn't sound like much of a bargain.

Next, the trade-off in jobs: While the protectionism doubtless creates jobs in the

shoe factories, it is equally likely to destroy jobs in the retail stores. Higher prices would mean fewer sales, which in turn would mean the closing of some stores. How many? It's hard to tell. But it's pretty clear that the ITC's tariffs and quotas would subtract jobs as well as add them.

Finally, the trade-off in trade: If the United States discriminates against other countries' sales here, we can expect them to discriminate against our exports. Tit for tat is the rule in world trade strategy. But it's not only that U.S. exports represent U.S. jobs. Economic quarrels pollute foreign policy. It's hard to make another country believe in your pledges of eternal friendship if, meanwhile, you're cutting off its access to the world's richest market. Italy, for example, is a major exporter of shoes to the United States. One of President Ford's reasons for turning down the shoe quotas a year ago was that Italy faced an election in June, and he didn't care to help the Communists win it.

The country owes generous compensation and adjustment assistance to working people whose jobs are hit by imports. It is not fair to load the price of economic growth and general prosperity onto a small number of people in hard-luck industries. But the country can't sensibly commit itself to propping up uncompetitive companies forever, at great cost, to preserve small numbers of badly paid jobs.

In the politics of protectionism, it is always the narrowest interest that is most vigorously represented. It is the threatened companies and unions that push hardest. The interests on the other side of the question are more diffused. In this whole angry process, the national interest is fully represented only at the White House—and that is where the process is now headed.

THE WASHINGTON POST.

India: The Right Direction

Let credit be given where it's due: Indira Gandhi, harshly criticized here and elsewhere for ending the practice (however flawed) of democracy in India 19 months ago, has begun to reverse course. True, the emergency legislation she invoked to justify her assumption of dictatorial powers remains available for her use. The large increments that she added to executive power in the emergency period are firmly imbedded in law. The political opposition lacks unity and vigor. But she has released thousands of political prisoners—though far from all. She has suspended censorship of the domestic press. She has called new parliamentary elections for next March. Most observers expect her to win handily. If she had any doubt about the outcome, they believe, she would not have taken this new turn. It is indisputable, nonetheless, that there is again a legal and vocal opposition. For the moment, India is displaying more democracy than all but a handful of nations in the world.

What happened to give the imperial Mrs. Gandhi the confidence to permit this step back from personal dictatorship? Even her bitterest foes concede that, with a particular large exception, she used the months of emergency to instill a measure of discipline and service that had been painfully lacking in both the bureaucracy and the upper classes. India is not suddenly Sweden, and

the luck of a record harvest cannot be denied. But the rate of inflation has been reduced, exports have risen, certain types of corruption have been attacked, and small but perceptible benefits have flowed to the millions in the villages. Firm leadership has had its fruits. The particular exception, of course, is the power and favor she has lavished upon her son, 30-year-old Sanjay. He is now regarded as her heir apparent, although whether he would interrupt his personal profiteering long enough to run the government remains in some doubt.

It is no doubt a coincidence that Mrs. Gandhi makes her move just as a U.S. President comes to office declaring that "our moral sense dictates a clear preference for those societies which share with us an abiding respect for individual human rights." Direct U.S. aid to India is not that important, anymore; it's a political irritant anyway. But India is a major recipient of aid from the international banks in which Washington plays a large role. We are not inclined, however, to peer too closely at Mrs. Gandhi's timing. If it suits her purposes, and India's, to end at least temporarily the worst features of the repression she installed in 1975, then Americans should wish her well and encourage her to keep moving down the democratic road.

THE WASHINGTON POST.

International Opinion

Peace Talks in Cyprus

President Carter was elected with the enthusiastic support of the Greek-American lobby, and several times during his election campaign he accused Mr. Kissinger of dealing too softly with Turkey on the Cyprus issue. On this more than any other international issue, he has a clear commitment to seek movement. The Turkish government was well aware that it faced the prospect of increased American pressure... especially with last year's Turkish-U.S. arms agreement still awaiting congressional ratification... The leaking of the European Human Rights Commission's report on Turkish atrocities in Cyprus has clearly increased the pressure on Turkey even further. [Meanwhile] neither American nor European pressure on Turkey should be relaxed. Ten years of intermittent intercommunal talks have proved abundantly that talks in themselves are not enough.

—From the Times (London).

EEC Fishing Policies

Now that European Economic Community quotas have been agreed for the Soviet Union, the Community must cooperate in their enforcement—if there were to be a

confrontation, it would be far better for all nine countries to take on the Soviet Union than for Britain alone... With remarkable speed by Community standards, the British government persuaded its partners to agree to the 200-mile limit, to set Jan. 1 as the deadline, and to impose strict quotas, soon. It is to be hoped, to be backed up by licenses, on the catches of non-Community countries... In response to Britain's demands for an exclusive coastal belt of up to 50 miles, the EEC Commission has so far gone no further than a proposal for 12 miles, and even that is not universally acceptable. All the signs are that the British target will be virtually impossible to achieve, and yet if there is no agreement the common fisheries policy will allow Community fishermen to fish right up to Britain's beaches after 1982. The case for protecting Britain's coastal fisheries may look overwhelming in London. In Brussels, unfortunately, it has little legal backing and runs counter to the entire theology of the EEC... The government might stand a better chance of securing its partners' cooperation if it were occasionally capable of showing a little community spirit itself.

—From the Financial Times (London).

In the International Edition

Seventy-Five Years Ago

January 29, 1902

WASHINGTON—A House of Representatives committee today reported favorably upon the bill for the construction of a government Pacific cable to Hawaii and the Philippines. However, indications point to considerable opposition on the floor of Congress to the cable project, which will involve a cost of at least \$10 million. The fight will not necessarily be a partisan one.

Fifty Years Ago

January 29, 1927

NEW YORK—The Metropolitan Life Insurance Co. is now the largest financial institution in the world, President Haley Fiske said today, in announcing that the company's assets had passed the \$2-billion mark during 1926. With assets now at \$2.1 billion, the Metropolitan leads Lloyd's of London by a quarter of a million dollars and the Bank of England by half a million.



'Let's See If We Can Lower That One Too.'

Look Ma, No Egos

By James Reston

WASHINGTON—Nothing seems to fascinate Washington more than the institutional conflicts between the White House and the Congress, and the personal struggles for influence and power among members of the Cabinet and the White House staff.

But a first and perhaps premature impression here is that President Carter is determined to avoid dissension within his official family and has selected Cabinet and sub-Cabinet nominees with a reputation for competence and cooperation, and a wide knowledge of the personalities and problems outside their own departments.

For example, Secretary of State Vance was formerly a deputy secretary of defense; Secretary of the Treasury Blumenthal has wide experience in business and at the State Department; the energy chief, James R. Schlesinger, ran the Pentagon and the CIA, and Zbigniew Brzezinski, the new head of the National Security Council, formerly worked as a policy planner at the State Department and is a personal friend of Vance.

Some Groom

Also, at the sub-Cabinet level, Anthony M. Solomon, the new under secretary of the Treasury for monetary affairs, was assistant secretary of state in the Johnson administration, and Richard N. Cooper, the new under secretary of state for economic affairs, formerly worked as assistant secretary in that department and was offered one of the top jobs by Blumenthal at Treasury.

It is true as Woodrow Wilson noted many years ago that "some men grow and others swell" in this city and the atmosphere lends rather to encourage swelling. Each Cabinet officer presides over a vast army in a huge temple, which enlarges the ego and separates them from one another. And most presidents of the postwar period paid more attention to getting strong Cabinet members rather than compatible organizations.

This Secretary of State Kissinger and Secretary of the Treasury Simon under President Ford had widely different views of the world and could not agree on many of the important questions of foreign economic policy. Kissinger in the White House dominated Secretary Rogers at the State Department and fought with Ford's principal White House aide, Donald Rumsfeld.

Secretary of State Hull versus Under Secretary Sumner Welles; and Vice-President Wallace versus Jesse Jones and Harold Ickes under Franklin Roosevelt; Secretary of State Acheson versus Secretary of Defense Louis Johnson under President Truman; Secretary of State Dulles versus Secretary of the Treasury Humphrey under President Eisenhower; these are mere symbols of the protracted battles between the men around the president since the 1940s.

The situation seems different now in two respects. Carter has filled the departments with flamboyant personalities—this is an administration of 13 managers and a preacher. And he has made clear that the Cabinet outranks the White House staff and wants no backstairs maneuvering among them.

Avoid Feuds

In his first official Cabinet meeting he told them to avoid personal feuds with their colleagues and the White House by speaking their minds freely to him and to one another. For the time being, he said, the Cabinet would meet every Monday morning, that he would al-

ways be available to them, and that he would not allow or condone dissension among them.

Relations with the Congress are a different matter, and already there is some muttering on the Hill against what some influential members—the Democratic majority leader in the Senate, Robert Byrd of West Virginia, for example—but this is normal and probably unavoidable. Downtown, however, Carter is the master of his own team, and can maintain order simply by firing anybody who violates his instructions.

The early days in a new administration are always important, for it is then that the new president sets the tone and makes clear to his appointees and to the bureaucracy what he expects. If the president is impatient with long Cabinet meetings and will not hear the arguments out, open debate and collective judgment are hard to establish.

It is a congratulatory, like Presidents Johnson and Nixon, the habit of conspiracy develops. If he is candid with the press, or evasive, or suspicious or hostile, his example will usually be followed down through the departments.

The signs so far are hopeful. Carter works by symbols. The

walk down Pennsylvania Avenue, the banning of "Hall to the Chief," the reduction of staff and limousines, the emphasis on informality and teamwork, easy access to the Oval Office, no doorknockers, no chief of staff, and the talk of modesty and even humility are all intended to establish the character of his administration and a code of conduct for his principal aides.

Accordingly, Vance, following his lead, has banned the recording of any telephone conversations, or even the taking of stenographic accounts of such conversations without the knowledge and consent of the party on the other end of the line. And this rule, long overdue, will undoubtedly be followed in the rest of the government.

Nevertheless, Washington has become so accustomed to government by personal conflict that it cannot quite believe government by consensus, by Cabinet clusters, by admonition, and McGuffey Reader slogans can work for only so long. Give us this day our daily fight; big men have big egos. These have been the normal assumptions, but Carter seems determined to prove that things will be different in the future.

Caramanlis and Caramanlis

By C.L. Sulzberger

GIRO, Cyprus—When the Ottoman Turks occupied Cyprus in 1570-1571, seizing it from Venetian overlords, their armada first took this pretty little seaport town, known as Kyrenia to its Greek inhabitants, once a majority but now all gone. Kyrenia became Giro again when the second invasion of Cyprus began in July, 1974.

After Lala Mustafa Pasha, the Sultan's efficient commander, had consolidated his hold on the island, the empire decided to colonize the new possession, until then ruled successively by Rome, crusaders, Arabs, Byzantium and Venice, containing no Turks. A decree was issued April 9, 1571, stipulating that inhabitants of Caraman in south central Anatolia should be encouraged to settle here.

The Caramanlis for whom the province was named were a major Turkish tribe like the Osmanlis who gave their name to the Ottoman dynasty. On Sept. 22, 1572, a second order, the General Edict Decree, required one out of every 10 families in Caraman and neighboring provinces to be enlisted as "exiles" and sent to Cyprus.

Sour Jokes

Much of the Turkish population in contemporary Cyprus is descended from these original Caramanlis and it is one of history's more sour jokes that Constantine Caramanlis, Premier of Greece and today's outstanding symbol of political Hellenism, should bear the same name.

Caramanlis has no Turkish blood although he was born in northern Greece when it was still occupied by Turkey. Turkish scholars have told me the word "Caramanlis," in Ottoman days, meant not only members of the great tribe but also could refer to people who, outwardly Turkish, secretly practiced Christianity.

In any case, the Cyprus crisis involves the basic quarrel between the Greek Cypriots who so admire Caramanlis and the Turkish Cypriots stemming from the Anatolian Caramanlis. And their dispute only flared into serious bloodshed after Britain, which had acquired the island from

waning Turkey in 1878, granted it independence in 1960.

The Greek Cypriots wanted overwhelmingly to accept Greece's sovereignty and the Turkish Cypriots objected. After 11 years of sporadic violence, Ankara decided to back the Turkish-speakers and occupied a large slice of Cyprus in 1974.

Grim Process

Now all Greek-speakers are being extruded from the Turkish area, recently established as "The Turkish Federated State of Cyprus," and all Turkish-speakers are being extruded from the Greek area. Within weeks that grim process will be completed.

The welter of charges and countercharges and conflicting statistics makes it difficult to ascertain precisely who has done what over the years. But certain facts are indisputable.

The new "Turkish Federated State" has a constitution, a president, a premier and cabinet including defense and foreign affairs portfolios. Its constitution stipulates "the power of the Turkish Federated State of Cyprus to receive any foreign aid from foreign states."

Immigration from mainland Turkey is encouraged. Neutral observers estimate some 12,000 persons have arrived since 1974. Rauf Denktaş, president of the federated state, puts the figure at about 5,000 but says 15,000 Turkish Cypriots have returned from abroad and up to 35,000 more may come. At the same time, Archbishop Makarios, President of partitioned Cyprus, says 25,000 Greek-speakers have emigrated.

He claims that in 1974 only 18 per cent of the island's 600,000 inhabitants were Turkish-speakers; that the Turkish Federated State now has 40 per cent of the island's land. Denktaş claims 25 per cent of the population speaks Turkish and holds 36 per cent of the land—as compared with 32.8 per cent in 1963.

One gets lost in contradictions. Turkish-speakers claim Greek-speaking extremists had intended to exterminate them all. A Turk-

Toward a U.S. Policy For the Third World

By Robert L. Rothstein

NEW YORK—The United States has not had a coherent policy toward the Third World. What we have mistaken for a policy has been a set of reactions, usually negative, to demands by Third World spokesmen and international secretariats or a set of tactical improvisations until the latest crisis or the next deadline.

Developing a coherent policy of our own has been difficult for a number of reasons. We have had internal difficulties, exacerbated by the recession and the election season, in eliciting agreement from the many bureaucracies with an interest in Third World issues, and external problems within the Organization for Economic Cooperation and Development in establishing a common viewpoint.

There have also been major difficulties in negotiating with the Third World because we have sought to reform the international system slowly and pragmatically while the Third World has sought quick and fundamental restructurings of that system.

Issue of Guilt

Ideological conflicts (the free market versus strong interventionism, capitalism and socialism) and the issue of guilt for past actions have also intruded, as have basic misunderstandings about how each side's political systems operate.

Finally, disagreements about the meaning of the Organization of Petroleum Exporting Countries' success and resource constraints have engendered very different views about how much change is necessary or feasible.

The Carter administration will have problems in dealing with these issues, complicated by the fact that the Third World deliberately slowed the international bargaining process in the expectation that the major new departure was expected from a Democratic administration—especially one not burdened by the simplistic ideology of the Simon Treasury.

Raised expectations create great dangers, for there are limits to what we or our friends in the OECD are able to do. But the possibility of eight years in power also gives the new administration an opportunity to begin constructing a more coherent policy that incorporates some vision of what we want rich-poor relations to become.

Perhaps one useful way to begin the quest for policy is to attempt to understand the connections between what we want for the developing countries and what we want from them.

Traditionally, we have wanted rapid growth for them, but the results have been spotty, at least in part because the gains from growth have not been sufficient in many cases and because they have been inequally distributed. Of late, in development circles, a new emphasis on equity and redistribution to benefit the poor has become prominent. This is not an anti-growth strategy, but an effort to provide more of the immediate benefits of growth to the poor and to change the composition of growth (through more

labor-intensive concentration on agriculture and consumer goods). But neither the developed countries nor many Third World elites (who fear loss of their own perquisites) have taken redoubt but very seriously yet.

Our needs include continued access to resources and an investment climate that insure that the resources will be developed in time. We would like a diminution of government by terror and repression. Fostering or exceptional needs—in the Middle East, South Africa, OPEC—to prevent nuclear proliferation—may force us to deal with unpalatable governments, as Henry Kissinger's reputed preference for injustice over disorder has only brought us more both. We ought at least to make less gross distinctions here, as some kinds of injustices worth some kinds of disorder to correct—and, in any event, corrections will be sought where ever we do.

Perhaps an even more significant need is to reduce the pressures the developing countries are putting on the international system for radical change.

Some of their demands are fully justified, others less so. Together they strain the capacity to respond of already weak institutions and processes.

Reduction of the pressures for massive external change to manageable levels cannot be achieved solely or primarily by concessions within the standard trade-aid package. The developing countries themselves must increase their ability to meet increasing proportion of the needs by their own efforts. It justifies a more serious concern with domestic redistribution strategies, for an emphasis on meeting the immediate human needs of many developing countries (for increased agricultural productivity and jobs) not only might diminish the pressures seek primarily external salvation, but also might increase the medium-term prospects for responding successfully to whatever external opportunities appear.

Moral Climate

The moral climate might improve, for conventional growth strategies have provided much temptation to the elite to corruption and conspicuous consumption. Perhaps also it might for resource access improve if the developing countries felt less compelled to their only major asset as a way on to bridge more and more external change from us.

I do not mean to suggest that redistribution ought to be, can be, the focus of foreign policy toward the Third World. We have too many needs to them encapsulated in a slogan, and there are still many elites in both rich and poor countries who would resist international change without domestic restructuring.

Our efforts to be more responsive to the issues on the international agenda (aid, preferential commodity agreements, debt forms) ought not to cease. We need to understand that many of these measures primarily benefit the most advanced developing countries (and the advanced sectors within them).

Self-Help Issue

They must be strongly supported by measures to implement domestic development programs. Indeed, perhaps we ought to offer external help—international redistribution—to those countries that are making effort to improve domestic self-help. This dual effort might decelerate pressures massive and rapid external change, and it might establish closer relationship between what we want for the developing countries and what we need from them.

Tactics aren't everything; we need a vision of where we want to go. Today's foreign policy is assessed against a judgment where it will leave us some years hence. This means the need to understand that we are in a continuing relationship with poor countries in which sacrifices of immediate interests are justified by long-term gains.

It would also help if we stopped overselling whatever we propose or promising massive results quickly. Very little that will help the poor quickly is likely to be good.

Robert L. Rothstein is a Fellow of the Rockefeller Foundation. He wrote this article for the New York Times.

South Africa: The Divided House

Funds, Men Begin to Leave as Siege Mood Gains

By Jim Hoagland
Fifth in a Series

CAPE TOWN, (UPI)—Standing in the yard, the African workers gazed in through the window at the new television set in the foreman's room, where the white farmer's wife, obligingly, had the curfew hours back for two hours each day.

This night scene began on a large farm in the eastern Cape province a year ago, when the government finally permitted the white farmer to have a television set in his house. It was the only time a white man's wife said in a town. We could hear the voice of a friend, a white man, who had been inspired to arson by a television film of the black township in urban housing compounds, the foreman's wife could hear the open-air showings.

Racial violence and the shadow of black power are heightening the atmosphere of white uncertainty in South Africa. A tiny trickle of money and people has started flowing out of the affluent, comfortable ruling white community to other countries.

This reaction—significant in the recent speeches by the Prime Minister and defense minister—has been seen as a sign of alarm by many of those determined to stay on. But they, too, admit that their lives have been touched by the seven months of "intermittent" but bloody confrontations sparked by the black political demands.

A Taste of Isolation

"You don't organize your life around fear," said a widely traveled white South African businessman. "But we are beginning to get a taste of what it's like in Israel. You are becoming much more careful."

The signs of this mood are written across the faces of all white South Africa's age and moral class groups.

Gunshots continue to be heard in the night. They are not sold to blacks, against whom the government has mounted one of the world's most massive gun-control campaigns. One recent Saturday morning, a 10-year-old white youth stood at the head of a long line in one of the Johannesburg shops trying to buy a .32-caliber revolver while his father looked on approvingly.

In an exclusive northern suburb of Johannesburg, buckets of blood labeled "For Pits" suddenly appeared in primary-school hallways after the riots began. In Cape Town, girls at a prestigious boarding school have been told to sleep in their bedrooms with their doors open. In the small, sleepy Stellenbosch University in the Cape Province, a countrywide was guarded during the rioting by "commandos" of white male students and professors. In a lower-income suburb of Johannesburg, white vigilante groups patrol the neighborhood.

And back in both the white and the black communities, the breaking of the township's small amounts of human contact that existed across the harshly drawn color line here. They are also erasing any lingering political influence held by the more liberal, English-speaking minority within the ruling white minority.

Still dominant in commerce and industry, the 2 million English-speakers have seen their potential role as a bridge between the races smashed by the rising conflict of Afrikaner and black nationalists.

Differences Blurred

Moreover, the increasing pressures the white minority faces at home and abroad are rapidly blurring many of the ethnic and political differences that have locked the English-speakers and the 2 million Afrikaners, descendants of the Dutch-speaking Boer settlers, in conflict for most of a century.

Coming to power in 1948, the Afrikaners National party has retained the Westminster-style Parliament and cabinet system. It inherited, although it severed the country's ties to the Commonwealth in 1961. An English-speaking academic, Mackenzie, said this has been done to convince English-speakers that "all is well." Despite the continuing suppression of basic civil rights for blacks and some dissident whites.

There is no room in South Africa for liberal politics as we know the term today, a depressed English-speaking businessman admitted in the confines of Cape Town's only remaining gentleman's club, patterned exactly on a London model. "We look after the business and profits, while the Afrikaners were taking care of the running of the country."

Until now, the harsh system of segregation, the Afrikaners installed under the name of apartheid has not been in open conflict with the English-speakers' business interests. The failure of liberal racial policies in South Africa has been in part due to the continuing workability of a system that many English-speakers profit from while criticizing.

"It is not true that an unjust society has to be an unworkable one," a white liberal noted. "What is beginning to bother people, I think, is that this particular system may be losing its workability."

After black riots began in June, the Transvaal chamber of industrialists and businessmen



A LEGACY OF VIOLENCE—At Sharpeville, in 1960, police opened fire on rioting blacks and at least 67 died.



A Zulu warrior: His ancestors battled with the Afrikaners.

emigrated from South Africa last year.

"This brain drain of skilled, professional people who could have an effect on public thinking is a tragedy for a country that needs people to speak out, to protest and to fight discrimination," Helen Suzman, the country's most outspoken liberal parliamentarian, said in a tacit admission that the emigration is further weakening the embattled liberal opposition.

Political analysts believe that the inflow of disillusioned whites from Rhodesia and farther north in Africa is also giving the English-speaking electorate a more conservative cast.

The Nationalists hold 70 per cent of the 171 seats in Parliament's key lower house and have not faced a serious electoral threat from the opposition parties, essentially led and supported by English-speakers, since 1948.

The United party offers a softer application of segregation. It has become a pale shadow of the Nationalists in recent years, joining in the passing of repressive security laws intended to break black political activity. Its leader, Sir de Villiers Graaff, appears to be seeking a graceful way to dissolve it.

The Progressive Reform party introduced the idea of a qualified franchise for blacks of a certain education and income, and triggered immediate denunciation by Mr. Vorster for having obvious Communist leanings. Efforts to negotiate a merger between the two opposition parties are stuck on arguments over the amount of discrimination they will officially support.

"We are not the force for change," Progressive party leader Colin Eglin said in Cape Town. "But we can be an eventual factor in change. Since the rioting, there is only Afrikaner power—through the police—and African power—through the rioting."

But neither side appears to be ready to listen to voices of moderation now.

When Progressive members of Parliament sent word to black student leaders in August that

they would like to discuss the grievances causing the riots, the answer came back that the students would not see them.

"We would have been willing to sit down with Vorster or Kruger and discuss it," a student leader said later. "We may hate them, but they have power and can talk about our problems. White liberals in this society can do nothing but expose us to more danger. Before we let them water down our anger and make us believe that whites didn't think we were animals. Since June, we know what the whites think. All of them."

Dome Proposed For Acropolis

ATHENS, Jan. 28 (UPI)—The 2,400-year-old temples of the Acropolis should be enclosed in a giant transparent dome to protect them from further damage by air pollution, a former mayor of Athens proposed today.

George Pliyas, who now heads the New Athenian Movement, said a team of Swiss scientists specializing in the conservation of ancient monuments studied the Acropolis and recommended that such a dome be made of a glare-proof unbreakable material resembling glass.

"The dome would not steam up and nothing would stick to it so that it would not get dirty," Mr. Pliyas said. He said the dome would cost about \$40 million.

Cyprus Talks Set Feb. 12-13

ANKARA, Jan. 28 (AP).—Turkish and Greek-Cypriot leaders will meet again on Feb. 12-13 with the participation of Secretary-General Kurt Waldheim of the United Nations, it was announced today.

Archbishop Makarios, the President of Cyprus, and Turkish-Cypriot leader Rauf Denktaş met yesterday for the first time in 13 years for talks described as a "break-through" toward a settlement.

"We desire the continuation of Denktaş-Makarios talks and we are glad that they will be meeting again on Feb. 12-13 with the participation of Dr. Waldheim," Seyfi Ozturk, acting Turkish foreign minister said.

Greek Approval

ATHENS, Jan. 28 (AP).—The Greek government announced today that it was satisfied and considers useful yesterday's meeting between President Makarios and Mr. Denktaş.

Moody's, Standard and Poors Levesque Talk Spurs Review Of Credit Rating for Quebec

NEW YORK, Jan. 28 (Reuters).—Two leading U.S. bond-rating agencies said today that they were reviewing Quebec's credit rating following Premier René Levesque's declaration here that the time had come to make his province independent of Canada.

The agencies are Moody's Investors Service and Standard and Poors. At the moment, both give Quebec government bonds and those of Hydro-Quebec, the province's nationalized electric company, their second-highest rating of double A.

Jackson Phillips, a Moody's vice-president, said there was "no rush, no panic or anything like that" in his agency's decision to review Quebec's credit rating.

"We would have done this within a short time anyway," he added. "In this case, we are stepping up our time schedule because we have been asked what our reaction is to the Levesque speech."

In his speech here Tuesday to 1,500 businessmen, bankers and investors, Mr. Levesque said it was no longer a question of when or whether Quebec became an independent French-speaking nation but how.

A reason for the Levesque visit to New York was to reassure Americans who are heavy investors in Quebec that they had nothing to fear from his government.

Tax-Free Status For IATA Stirs Geneva Protest

GENEVA, Jan. 28 (UPI).—Agreement by the Swiss government to grant tax-exempt status to the International Air Transport Association in Geneva today sparked protests by Geneva city authorities, politicians and the press.

IATA, representing 112 regular international airlines, employs 200 people here. For 10 years they had the special privilege of paying income tax on only 60 per cent of their salaries but now pay no tax at all. The loss in tax revenue is between \$400,000 to \$600,000 a year.

The 10,000 people employed by the UN in Geneva pay no Swiss tax either but do pay an internal UN assessment. Other non-governmental organizations get a 10-per-cent benefit, with employees paying tax on 90 per cent of their pay.

All other foreigners pay full income tax to Switzerland.

Officials point out that numerous meetings convened by IATA every year mean about 10,000 "bed-nights" annually in Geneva.

E. Africa Airline Cancels Flights

NAIROBI, Jan. 28 (Reuters).—East African Airways, faced with a shortage of cash to meet fuel costs, canceled more scheduled flights today, for the third consecutive day.

The airline, jointly owned by the Kenyan, Ugandan and Tanzanian governments, announced yesterday that it was suspending some services because its cash-flow problems had reached a point where the firm was no longer able to pay for fuel for its aircraft and oil companies were already insisting on payment in advance.

Yesterday's announcement attributed the crisis to unpaid debts amounting to about \$12 million, to undercapitalization in the airline and to difficulties in remitting cash to the airline's headquarters here from Tanzania and Uganda.

Gunmen Seize Salvador Aide

SAN SALVADOR, El Salvador, Jan. 28 (AP).—Men armed with automatic weapons kidnapped El Salvador's director of tourism in a bloody street ambush yesterday and may have wounded him. They killed three bodyguards and wounded one, police sources said.

The tourism director, industrialist Roberto Fuma, organized the 1975 Miss Universe pageant in San Salvador that led to clashes between troops and students critical of the costly event.

Mr. Fuma, 32, was on his way to his office when a truck smashed into his car. Men then jumped from the truck and opened fire with machine guns, killing three accompanying guards and seriously wounding another. Police believe the assailants grabbed Mr. Fuma and fled in a waiting car.

GI Kills U.S. Noncom, Wounds 3 in Korea

SEOUL, Jan. 28 (UPI).—A soldier of the U.S. 24 Infantry Division shot and killed a non-commissioned officer and seriously wounded three others this week at Camp Casey, 30 miles north of here.

Four of the five soldiers involved in the incident were black, but a military spokesman said that no racial factor was involved. The cause of the shooting was not immediately known.

Chicago Renewal Project

CHICAGO, Jan. 28 (UPI).—A \$26-million to \$28-million urban renewal project to include the largest Western mosque in the United States has been approved for the city's Woodlawn neighborhood, according to acting Mayor Michael Bilandic.

Goudekiet Dies; Was 3d Husband Of Writer Colette

PARIS, Jan. 28 (AP).—Maurice Goudekiet, 87, was the third husband of novelist Colette, died today.

Mr. Goudekiet was a writer and journalist in Paris in the 1930s. He married Colette in 1935 and protected her from outside distractions in the years before her death in 1954. He married the widow of Paris couturier Lucien Lelong in 1959.

Paul Durand

PARIS, Jan. 28 (UPI).—French composer Paul Durand, 70, died Tuesday in Louveciennes, near Paris, after a long illness.

Mr. Durand, who composed such well-known popular tunes as "Mademoiselle de Paris," "Boulevard," and "Un Air d'Accordéon," was for many years the orchestra conductor at the Paris music hall Casino de Paris.

Vartan Adzhemyan

MOSCOW, Jan. 28 (UPI).—Vartan M. Adzhemyan, 71, the director of the Armenian State Academy Drama Theater, has died, Pravda said today.

The Communist party newspaper described Mr. Adzhemyan as an "outstanding teacher of Soviet theater and stage director."

Margaret Hayes

MIAMI BEACH, Jan. 28 (AP).—Margaret Hayes, 61, an Academy Award nominee for her portrayal of a teacher in the 1955 movie "Blackboard Jungle," has died of cancer.

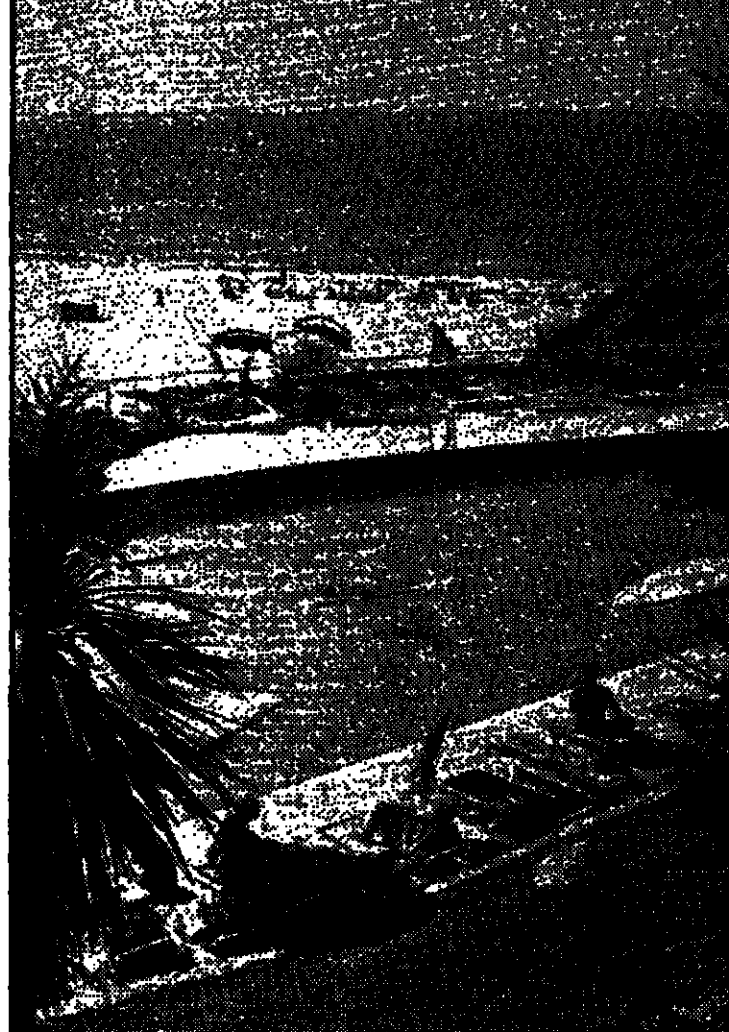
Miss Hayes was also a television actress, winning the Sylvania Award for her performance in the drama "Appointment in Samarra."

Comdr. W. R. Gilbert

TORQUAY, England, Jan. 28 (AP).—Comdr. Walter Raleigh Gilbert, 88, nearest descendant of Sir Walter Raleigh, died Wednesday at his home near here.

Comdr. Gilbert was a direct descendant of Raleigh's half brother, Sir Humphrey Gilbert. He lived in the family home in Compton Castle, where Raleigh lived as a boy.

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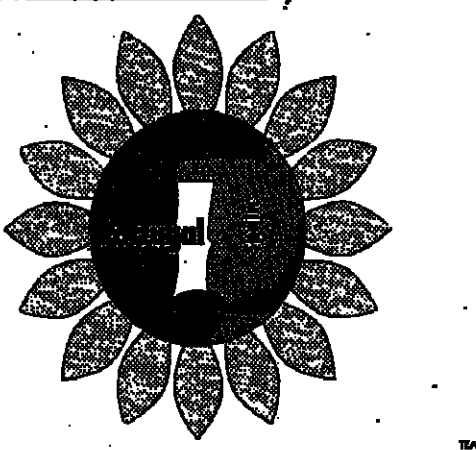


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THE ART MARKET

Chance and a Hunch and Arts Déco

By Souren Melikian

PARIS (IHT).—A pair of occasional tables in the finest arts déco style turned up at a rummage sale held at Hôtel Drouot Rive-Gauche a week ago.

The geometric lines had that abstract quality which appeals so much to modern taste. There was no catalogue and there had been no advertising other than in the professional weekly, the Gazette de l'Hôtel Drouot. In fact, no one who had not seen the sale preview the day before could have been aware of their existence.

A connoisseur who had done just that got them for 3,480 francs. The chances are that they were made by Pierre Legrain, one of the greatest arts déco designers. If the hunch is right, the tables will easily resell for ten times what they made the other day.

Arts déco is the last field in which such a story is plausible. The best is still available. It is not even necessary to look out for miraculous discoveries at ordinary sales. The finest auctions with well written catalogues include reasonably priced objects. On last Nov. 26, at an auction held by the Godeau-Solange-André group with the assistance of expert Felix Maréchal, top pieces could be bought within the 5,000 to 15,000-franc bracket.

Goulden Enamels

Champlevé enamels by Jean Goulden (1878-1947), for example, rank among the most fascinating creations of the period, combining the abstract designs of advanced cubism and a highly contrasted rich color scheme borrowed from 15th and 16th-century enamels from China. They are rare because Goulden, who had a large income, worked for pleasure, not for money. One of his most striking pieces is a small enamel plaque, well under 100. A fine cigarette box of 1926 brought 5,340 francs and a marvelous rectangular box of 1925 was knocked down at 8,075 francs.

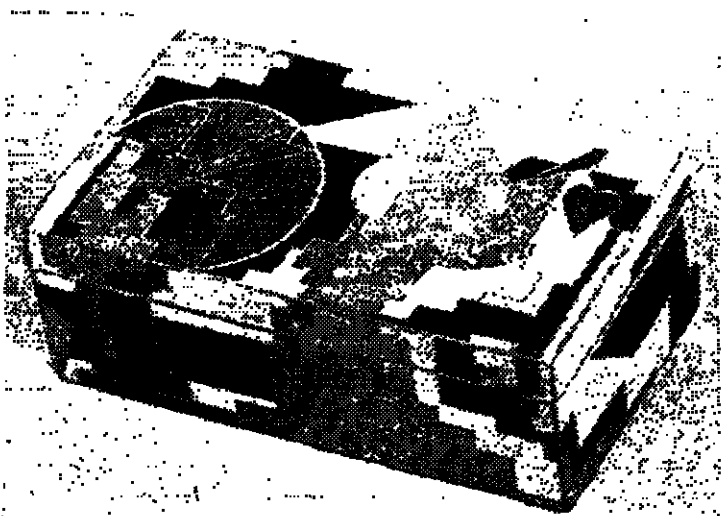
In the same sale a vase by Jean Dupond (1877-1942), a friend of Goulden's and a towering figure of the period, sold for 13,370 francs. The abstract shape of the lacquered brass ranks in importance with the creations of Arp and other abstract sculptors.

Meanwhile, at the Musée des Arts Décoratifs, Hôtel Drouot veterans have been seeing many places which they had been considering with a professional eye only a few years or even months ago in an exhibition celebrating the 50th anniversary of the 1925 exposition of arts déco (to Feb. 28).

The section devoted to the newly studio of couturier Jacques Doucet, one of the Mécènes who played a major role in the birth of the style, has a look of déjà-vu to those who attended the auction of November, 1972, when part of his collection was laid out on the block by Lucien Solanet.

African Art

The low stool inspired by African art which Pierre Legrain designed around 1923 was there. So was the interesting table veneered in ebony with ivory inlay and shagreen top designed by Jean-Charles Moreux (1889-1956). The faceting and the geometric patterns reflecting the influence



The arts déco cigarette box by Jean Goulden.

of the most advanced geometric abstractionism of the period and the lighting system that illuminates the transparent glass feet and top in keeping with the arts déco interest in new industrial devices make it a key piece.

At 26,970 francs, it seemed expensive in 1972, but compared with the prices of 18th-century furniture of corresponding importance, it now seems low.

A good many of the objects in the Arts Décoratifs show can be traced to the salesrooms. The two ornate andirons, shaped like cubist lions by Gustav Miklos, appeared at the Doucet sale, where they brought 46,800 francs. But other objects turned up less obviously at minor sales.

The Trade

Running through the exhibition, one is struck by the high proportion of works lent by the art trade. The marvelous bookcase by Eugène Prunier, with a geo-

metric silver inlaid pattern inspired by photographs of Anatolian rock shrines, is entered in the catalogue as belonging to Mr. Maréchal and was bought just before the opening by American collector Sydney Lewis. It is far and away the finest piece of furniture in the exhibition.

The three bookshelves by François Schmid, again, are Mr. Maréchal's. Retired dealer Nourhan Manoukian lent his superb Doucet furniture. Dealer Michel Souillac sent the important abstract geometric bureau by Pierre Chareau and a variety of objects carry the label of Paris dealers Michel Périmet, Marie de Beyrie and Alain Lesieur.

In no other category of objects is there such a high proportion of important works in private hands. The arts déco exhibition should remind collectors that Paris is the major source of supply and undisputed center of expertise whether in museums or the auction room.

AUCTION SALES



CHRISTIE'S in Geneva announces for Spring, 1977 highly important auctions



A silver and enamel vase by P. Ouchinnikov sold for S.Fr. 60,000. (10-XI-76 in Geneva.)

of Russian Art (Fabergé), Jewellery, Silver, Objects of Vertu, Watches, Miniatures, Porcelain, Arms and Armour.

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Pencil portrait by Shahn, at Galleria Incontro in Rome.

neutral space, sometimes concentrically like a target, but mostly not. There is a surprising solidity of an architectural sort in these works, a density in the spheres that is the consequence of overall construction while the brushwork remains apparent as though to persuade one that no illusion is being created. It is, of course, but by other means.

—MICHAEL GIBSON.

London

Stefan Bergmann, Gimpel Fils, 30 Davies St., London W.1., to Feb. 12.

German-born Bergmann now lives in England. He has traveled extensively in the Far East and the Orient has influenced his painting chiefly in feeling. He infuses his portrayals of stones, birds and flowers with a serenity traditionally associated with the East.

Johan Zoffany (1733-1810), National Portrait Gallery, 15 Carlton House Terrace, London, SW1, to March 27.

Zoffany, who studied in his native Germany and in Italy, arrived in England in 1760, and was

with lines and crosshatching in India ink. The result is handsome and unusual.

Lidia Masterkova, Galerie Dina Vierny, 26 Rue Jacob, Paris 6, to Feb. 23.

Lidia Masterkova left Russia just over a year ago carrying with her the pathos of the artist's lot in that country. The present show is devoted to the works she has produced since she came to France. They are large works on paper, presented under the collective title of "Planets," and all of them have the same basic structure, a circular ink drawing ("painting") would be a more accurate description) surrounded by a white on white composition of cut-out cardboard. Her planets are furry utopias seen from space and consequently pregnant with hidden promise. The cardboard collages in their simple patterns seem to belong to the world of theory, uncomprehending spaceships hovering over the delicate planet. Basically, whatever the interpretation, the viewer is confronted with a dualistic form and since they exist within the same pictorial universe one must try to imagine the unstated connection between them. This is what makes Masterkova's works something more than aesthetic constructions.

Anna-Eva Bergman, Galerie de France, 3 Rue du Faubourg Saint-Honoré, Paris 8, to Feb. 27.

Recent large paintings by Bergman who likes gold and silver, sometimes applied in the form of square leaves, in conjunction with big areas of black or amber, for instance. There is an Arctic starkness and elegance in her work. The mood is stern despite the elegance and beneath it is a firm authority.

Bengt Lindström, Galerie Arie, 140 Boulevard Haussmann, Paris 8, to Feb. 5.

Tapestries done after the paintings of Lindström by a group that calls itself "Atelier 3." Bengt Lindström is a Swedish artist with a strong expressive temperament, whose work is characterized by vigorous color and thick impasto. The tapestries are excellent transcriptions of the paintings, with a rough surface made of thickly twined wool.

Otto Fried, Galerie des Grands Augustins, 16 Rue des Grands Augustins, Paris 6, to Feb. 26.

More planets, or spheres, but in oil this time, clustered in a

hitting three pieces in a handsome context. One is Larry Bell's "Sculpture," an interesting of panels treated to reflect like slightly dim and mysterious mirrors. Another is a pale, long panel, traced with horizontal marks that give a sense of travel, by Battaglia. And then there is a conglomeration of aluminum framed square of canvas, in graded sizes, simply covered by brushstrokes. "Die Mäler: Jochen und Rudi (Van De Wint)" are responsible for this.

Surrealism, Toninelli, 26 Piazza di Spagna, Rome, and Galleria d'Arte Moderna, 3 Piazza del Popolo, Rome, until Feb. 28.

If someone had wanted to go out of his way to discredit surrealism, he could not have done better than to select these two shows consisting of singularly unattractive and heavy-handed works signed by the leading names of the movement. Except for a Giorgio de Chirico self-portrait of 1923, a many-faceted, strangely Victorian landscape by Max Ernst, a sensitive portrait of Arp by the usually too contrived Balthus, a Miro "Carbide Lamp With Grill" (1923) all his later little abstract signs already present—Man Ray, nude photographs, a Magritte "Secret Landscape"—they are rewarding if you can manage to wade through acres of astonishing mediocrity.

Mikhail Kuklov, Trifalco, 23 Via del Vantaggio, Rome, until Feb. 5.

Flourishes or flows of hairy paint in the center of a canvas, like a detail of an insect wing, or a cosmic event make heavy and rather dated abstractions. But there is an explanation for this latterday action painting: Kuklov was born in Moscow in 1933 and lived there (he was also a stage designer) until his recent arrival in Rome. At the moment his work is interesting only because it is yet another example of how the Soviet regime completely isolated artists and retarded their outlook and development.

—EDITH SCHLOSS.

Paris

Gérard Singer, Galerie Jeanne Bucher, 53 Rue de Seine, Paris 6, to Feb. 26.

Drawings in three dimensions. Singer depicts clouds and rocks by shaping polystyrene foam and marking the resulting volume

with lines and crosshatching in India ink. The result is handsome and unusual.

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Bengt Lindström, Galerie Arie, 140 Boulevard Haussmann, Paris 8, to Feb. 5.

Tapestries done after the paintings of Lindström by a group that calls itself "Atelier 3." Bengt Lindström is a Swedish artist with a strong expressive temperament, whose work is characterized by vigorous color and thick impasto. The tapestries are excellent transcriptions of the paintings, with a rough surface made of thickly twined wool.

Otto Fried, Galerie des Grands Augustins, 16 Rue des Grands Augustins, Paris 6, to Feb. 26.

More planets, or spheres, but in oil this time, clustered in a

IN PROTEST

We, the undersigned, condemn the action of the French Government in releasing the suspected Palestinian terrorist, Abu Daoud. As Americans and citizens of the civilized world we deplore this example of official accession to terrorism. We urge all artists, collectors and humanitarians to withhold loans and gifts of art and not to attend the opening of the Centre Pompidou, in protest. We do this with deep regret, as we acknowledge Paris as the cradle of modern art.

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CHUCK CLOSE
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1. The first step is to identify the problem or question that needs to be answered.

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Airbus Is Rejected By Airline in U.S.

NEW YORK, Jan. 28 (AP-DJ).—Western Airlines, in a surprise move, disclosed the directors voted "Buy American" to expand the fleet rather than buy the Airbus A300.

Western said it agreed to buy DC10 model 10 Trijets from McDonnell Douglas Corp. for delivery in 1978 and five Boeing 727s for delivery in 1979. The DC10s cost about \$10 million each, while the Boeing 727s cost about \$11 million each.

Western also said it arranged to buy two additional 747s for delivery in 1978 and 10 additional 727s for delivery in 1979 and 1980. It exercised these options would add another \$187 million to the order.

The move to reject the European Airbus, which is being marketed by the European consortium, was a surprise.

Western's sources have said a number of airlines are looking at the Airbus as a possible replacement for the Boeing 747, but so far no U.S. airline has purchased the Airbus.

Western directors may also have been concerned about the adverse publicity effects of buying a foreign plane, one source said. "The directors did the conservative thing," the source said.

Competition Cited

Another possibility is that Boeing and McDonnell Douglas out their prices to meet the European competition, Western refused to say if it received any discounts. The company would say only that the airline had given "serious consideration" to the Airbus but that the Boeing and McDonnell Douglas planes were chosen "primarily because they are more compatible with our existing equipment and our long-range fleet plans."

The Western rejection of the Airbus means that the European consortium will be able to sell many of the planes in the United States soon. U.S. Airlines have not purchased any European planes since the early 1960s, when United Airlines and American Airlines each purchased some European aircraft. Western Air Lines has been considered the best prospect to buy the Airbus.

The European aircraft is made by Airbus Industries, which is mainly owned by French and West German airplane manufacturers. The plane is assembled in France, with the fuselage produced in West Germany, the tail in Spain and the wings in Britain. The plane uses General Electric Co. engines.

French Comment

PARIS, Jan. 28 (Reuters).—French Transport Minister Marcel Cavaillès said here today that the decision not to buy the Airbus may have been political.

"Arguments put forward by the airline to justify its choice are not convincing," he told reporters. "I wonder whether the Airbus, which is a Franco-German plane, has not fallen foul of political considerations."

The minister did not elaborate, but one French commentator immediately linked the Western Air Lines decision with France's release of Palestinian guerrilla chief Abu Daoud from a Paris jail earlier this month.

In real terms, the Commission report said, most EEC member states existing problems were aggravated by a number of negative factors such as an only moderate rise in demand from third countries, an increase of prices on world markets, unfavorable weather conditions and difficulties in reducing costs and reducing budget deficits, the Commission said.

These factors, affecting member states in varying degrees, especially regarding prices and balances of payments, were further aggravated by major changes in exchange rates of currencies, the Commission said in an obvious reference to the sharp depreciation of Britain's pound and the Italian lira last year.

Inflation accelerated in the second half of 1976 and is likely to be over 10 per cent on average in the community, the Commission said. In 1976, the average EEC inflation rate was 12.5 per cent, it noted.

The 1977 GNP growth in individual member states will be the highest in West Germany with 4 to 4.5 per cent against 5.4 per cent in 1976, the Commission said.

The lowest growth rate was seen for Italy, with only 0.5 per cent, down sharply from 5.5 per cent in 1976.

For Britain, the 1977 GNP projection was a real 1.5 to 2 per cent, up from 0.9 per cent in 1976, according to the Commission. France's 1977 GNP will rise 3 per cent this year, down from a 1976 rise of 5 per cent.

Growth rates envisaged by the Commission for other countries were: (with 1976 in brackets): Denmark 2 per cent (4.3), Netherlands 3.5 per cent (3.6), Belgium 3 per cent (3.5), Ireland 2 per cent (3.5) and Luxembourg 3 per cent (2.9).

In general, it said, economic expectations for 1977 "are high-uncertain." In addition to "existing economic imbalances" there will be growing disparities in the production growth so that "overall growth in the community will be affected."

"Should the economic stabilization policy in deficit countries be successful, and the current upward in surplus countries within and outside the community is not being slowed down too strongly, the gross national products in 1977 may rise about 3 per cent

multiplied by the eight Airbus that Western was considering buying, would mean \$8 million a year in savings for the airline annually. "That's a lot of money for Western," one analyst said.

Another securities analyst said, however, that once Western was locked into a purchase of the Airbus, the European consortium that makes the plane might have raised the price for future planes, wiping out at least some of the savings.

In addition, the analyst noted, buying Boeing 727s and McDonnell Douglas DC10s, both of which are already in Western's fleet, simplifies the airline's maintenance problems and helps cut costs.

Still another factor is that Western, if it had the Airbus in its fleet, might find a merger with another airline complicated. There has been speculation that a number of airlines are looking at the Airbus as a possible replacement for the Boeing 747, but so far no U.S. airline has purchased the Airbus.

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Of Management and Merger Offers

By Robert Metz

NEW YORK, Jan. 28 (NYT).—There are signs of growing frustration in stockholder circles over recent instances of management refusal to pass merger offers along. Among the recent cases are Viacom International Inc., Commercial Shearings Inc. and Rapid American Corp. After Viacom International, a cable television and feature syndication company, advised shareholders that management was turning down a take-over bid from Storer Broadcasting at \$15 a share in stock—a 50-per-cent premium over the market price—an owner of 300 Viacom shares last week brought a class action suit. He sought a court ruling that management had no right to turn down the offer.

Commercial Shearings announced last Wednesday that it was rejecting a \$33-a-share merger offer—in cash—from Chicago Pneumatic Tool Co. The offer was well above the level at which the shares had traded prior to the offer.

In a letter to shareholders, the directors—several of whom are officers of the company—said that the decision was based on a "study of all relevant factors, including book and market values of both companies' shares, earnings, and growth histories, dividends and other advantages and disadvantages of the proposal." The offer, received in mid-December, was kept secret by Commercial Shearings' management for nearly a month.

Also last Wednesday, Meacham Riklis, chairman of Rapid American, disclosed that he had turned down an offer for the Shenley Industries Inc. subsidiary out of hand. He wrote Seabury Industries' investment banker, Allen & Co., to say he "would not submit this proposal to our board of directors."

The Rapid American story is particularly interesting. At present, Mr. Riklis is negotiating with the former management team of Schenley, now at the American Distilling Co., for the possible sale of Schenley to that company.

A lawyer who follows tender offers closely said that to the best of his knowledge there was very little in the law on the obligations of management to consult shareholders when offers were received for the company.

The lawyer, who asked not to be identified, said that any firm offer in writing should, it seemed to him, be passed along to shareholders for their consideration—especially when the offer is cash.

He and at least one other source found it curious that Commercial Shearings turned down cash on the basis it cited—possible future earnings, growth prospects and the like. After all, he said, it would be unreasonable to assume that shareholders would take the cash proceeds in such a deal and invest it in the shares of the acquiring company.

Rather, the investors could be expected to invest the proceeds in whatever corporations or securities seemed likely to provide the best current growth or income—whatever objective the investor might be seeking with his newly received cash.

Raymond Trough, a former partner of Lazard Frères, who now acts as an independent financial consultant in tender offers and mergers, commented as an informed layman. "It should be a fundamental precept that a cash offer without conditions ought in every reasonable instance—that is, when the offer is priced well above current market value of shares—to be transmitted to shareholders, Mr. Trough said. "Let the directors counsel against acceptance, but they should send the offers along in any case."

Qatar Said to Suggest Arrangement

Yamani Sees Talks on OPEC Price Unity

By Flora Lewis

RIYADH, Jan. 28 (NYT).—Saudi Arabia's Oil Minister, Sheikh Ahmed Zaki Yamani, said yesterday that individual talks would start soon with other oil-producing countries to seek an agreement that would end the two-tier pricing system established in December.

Sheikh Yamani made no predictions, but he seemed confident that market forces were already beginning to drive other members of the Organization of Petroleum Exporting Countries to the Saudi view that their price rise of 10 per cent now and 5 per cent more next July 1 is "far away from what we think is reasonable."

In Qatar last month, 11 of the 13 OPEC members adopted the 10-per-cent increase, but Saudi Arabia and the United Arab Emirates held their increase under 5 per cent.

The Saudi oil minister refused to spell out just what he expected from the West as a sign of "appreciation" for the Saudi decision to minimize the oil price increase, beyond the general aims of "peace in the Middle East and success in the North-South conference" between developing and industrialized countries.

Sheikh Yamani made clear that he was following closely the efforts of the Saudi oil minister to spell out just what he expected from the West as a sign of "appreciation" for the Saudi decision to minimize the oil price increase, beyond the general aims of "peace in the Middle East and success in the North-South conference" between developing and industrialized countries.

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'Leading' Index Rises Sharply

U.S. Has \$5.87-Billion Trade Deficit

WASHINGTON, Jan. 28 (AP).—A surge in exports of manufactured goods helped to reduce America's December trade deficit to the smallest in six months, the government reported today, while the deficit for the full year was \$5.87 billion.

The December trade deficit of \$514 million compared with a record \$906.2-million deficit for November, and the \$5.87-billion deficit for the full year compared with an \$11-billion surplus in 1976, the Commerce Department reported.

A deterioration of the trade balance had been expected as a result of the relatively quick recovery of the U.S. economy compared with its trading partners. That increased demand for foreign goods in the United States faster than demand for U.S. exports, picked up.

U.S. officials had not originally expected a deficit as large as the one which eventually developed, but they have generally viewed the deficit as beneficial. They reason that U.S. imports have helped sustain the economies of trading partners, thus laying the foundation for future expansion of U.S. exports.

But the deficit has also been accompanied by pressure from organized labor and specific industries for protection from cars, electronic products, shoes and other imported goods.

Over the year, exports were up by \$7.7 billion compared with \$7.1 billion. Imports climbed \$24.8 billion, or 26 per cent, to \$120.7 billion.

The December trade performance was marked by lower oil imports after adjustment for seasonal variations, higher imports of coffee and other food products and stepped-up exports of U.S. aircraft, electrical equipment and other heavy industrial products.

The volume of oil imported in December actually increased by about 20 million barrels, but because the winter season is traditionally a time for heavy oil use, the seasonal adjustment factor registered a \$116.5-million drop in the value of all petroleum imports.

For the year, petroleum imports

were up by 21 per cent to a record 2.6 billion barrels. That eclipsed the 2.3-billion-barrel record in 1973 and reversed two successive declines in oil imports during 1976 and 1974 of about 6 per cent combined.

The composite index, which provides clues on future economic performance, is made up of 11 that were available in time for the December computation, eight pointed up, two showed declines and one was unchanged.

The index has now advanced for three consecutive months following September's 0.8-per-cent drop.

In a further signal of a strengthening economy, the Commerce Department revised its July and August index figures on the basis of new information to show increases of 0.2 per cent and 0.1 per cent, respectively. The index had originally dropped a combined 0.3 per cent in those months.

Over the year, the index showed an 8.5-per-cent gain compared with an 8.9-per-cent rise in 1976.

Bigger Gap Expected

This year the United States will probably post a bigger merchandise trade deficit than in 1976, the Commerce Department said.

The forecast, contained in the latest issue of the department's biweekly magazine Commerce America, says U.S. exports will grow faster this year than last and while imports will slow from last year's gain they will still exceed exports.

Leading Index Gains

Meanwhile, the government index designed to anticipate the economy's future posted its largest gain in 17 months during December, the Commerce Department said.

The advance in the composite index of leading indicators was 1.6 per cent in December and followed a 1-per-cent climb in November. It was the biggest

climb in the index since a 2.3-per-cent rise in July, 1976.

The performance was consistent with the expectations of most economists of a stronger, healthier economy this year than last.

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The composite index, which provides clues on future economic performance, is made up of 11 that were available in time for the December computation, eight pointed up, two showed declines and one was unchanged.

The index has now advanced for three consecutive months following September's 0.8-per-cent drop.

In a further signal of a strengthening economy, the Commerce Department revised its July and August index figures on the basis of new information to show increases of 0.2 per cent and 0.1 per cent, respectively. The index had originally dropped a combined 0.3 per cent in those months.

Over the year, the index showed an 8.5-per-cent gain compared with an 8.9-per-cent rise in 1976.

Bigger Gap Expected

This year the United States will probably post a bigger merchandise trade deficit than in 1976, the Commerce Department said.

The forecast, contained in the latest issue of the department's biweekly magazine Commerce America, says U.S. exports will grow faster this year than last and while imports will slow from last year's gain they will still exceed exports.

Leading Index Gains

Meanwhile, the government index designed to anticipate the economy's future posted its largest gain in 17 months during December, the Commerce Department said.

The advance in the composite index of leading indicators was 1.6 per cent in December and followed a 1-per-cent climb in November. It was the biggest

climb in the index since a 2.3-per-cent rise in July, 1976.

The performance was consistent with the expectations of most economists of a stronger, healthier economy this year than last.

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In a further signal of a strengthening economy

Amex Nationwide Trading (3 O'clock) Jan. 28

[illegible]

Open Interest: Jan 70; Feb 981; Mar 734; April 215; May 139; June 16.

[illegible]

Dec	43.68	43.45	43.22	43.30	43.52	Sep	2844	2754	2810-2815	2740	-2745
Feb	44.00	44.05	43.90	43.90	44.00	Nov	2850	2750	2812-2820	2745	-2750
Sales: Feb 3124; April 2448; June 1400;						Jan	2812		2810-2815	2745	-2750
Aug 390; Oct 65; Dec 52; Feb 5.						Lots: 4,362.					

International Stock Indexes									
	1977	1977	1977	1977	1977	1977	1977	1977	1977
	Yr. Prev.	High	Low	Yr. Prev.	High	Low	Yr. Prev.	High	Low
Amsterdam	600	600	600	600	600	600	600	600	600
Bombay	600	600	600	600	600	600	600	600	600
Calcutta	600	600	600	600	600	600	600	600	600
Colombo	600	600	600	600	600	600	600	600	600
Delhi	600	600	600	600	600	600	600	600	600
Hyderabad	600	600	600	600	600	600	600	600	600
Kolkata	600	600	600	600	600	600	600	600	600
Madras	600	600	600	600	600	600	600	600	600
Mumbai	600	600	600	600	600	600	600	600	600
Patna	600	600	600	600	600	600	600	600	600
Rangoon	600	600	600	600	600	600	600	600	600
Singapore	600	600	600	600	600	600	600	600	600
Tripoli	600	600	600	600	600	600	600	600	600
Yokohama	600	600	600	600	600	600	600	600	600
London	600	600	600	600	600	600	600	600	600
Paris	600	600	600	600	600	600	600	600	600
Frankfurt	600	600	600	600	600	600	600	600	600
Stockholm	600	600	600	600	600	600	600	600	600
Oslo	600	600	600	600	600	600	600	600	600
Copenhagen	600	600	600	600	600	600	600	600	600
Helsinki	600	600	600	600	600	600	600	600	600
Tallinn	600	600	600	600	600	600	600	600	600
Riga	600	600	600	600	600	600	600	600	600
Vilnius	600	600	600	600	600	600	600	600	600
Kiev	600	600	600	600	600	600	600	600	600
Moscow	600	600	600	600	600	600	600	600	600
Leningrad	600	600	600	600	600	600	600	600	600
Novosibirsk	600	600	600	600	600	600	600	600	600
Omsk	600	600	600	600	600	600	600	600	600
Yekaterinburg	600	600	600	600	600	600	600	600	600
Novokuznetsk	600	600	600	600	600	600	600	600	600
Chelyabinsk	600	600	600	600	600	600	600	600	600
Sverdlovsk	600	600	600	600	600	600	600	600	600
Perm	600	600	600	600	600	600	600	600	600
Krasnoyarsk	600	600	600	600	600	600	600	600	600
Irkutsk	600	600	600	600	600	600	600	600	600
Novosibirsk	600	600	600	600	600	600	600	600	600
Omsk	600	600	600	600	600	600	600	600	600
Yekaterinburg	600	600	600	600	600	600	600	600	600
Novokuznetsk	600	600	600	600	600	600	600	600	600
Chelyabinsk	600	600	600	600	600	600	600	600	600
Sverdlovsk	600	600	600	600	600	600	600	600	600
Perm	600	600	600	600	600	600	600	600	600
Krasnoyarsk	600	600	600	600	600	600	600	600	600
Irkutsk	600	600	600	600					

The Statistics Institute has revised Italy's November industrial production index, base 1970

This put it 21.6 per cent above December 1975.

figures indicated that West man consumer prices showed unusually strong gain in Jan of 1 per cent from Decer

which would put prices 4.1 percent higher than in January 1976, the Federal Statistics Office reported.

Japan Price Index Up
TOKYO, Jan. 28 (Reuters)—Japan's December consumer price index rose 11.1 per cent to an adjusted 113.6 (base 1973), following a 0.3-per cent gain in November, the prime minister's office reported. The year-on-rise was to 10.4 per cent.

Every day in the Financial Section

Herald Tribune Classified Advertising Gets Results!

Lat 11. 51:2a

In World Cup

French Girl Wins
Slalom in Row

GERRAIS, France, Jan. 28 (UPI)—Sixteen-year-old Perle won her second slalom today in the world cup as the French one-two, with Patricia second.

who edged World Cup leader Lisa Marie Moir in the slalom.

Soviet Pair Wins
Dancing Title
Jelinski Event

SINKI, Jan. 28 (UPI)—Irina Moiseva and Alexander won the ice dancing title at the European Figure Skating Championships.

as the first European title since 1975.

at skaters have captured the nine medals awarded in the 1977 championships being held in Helsinki.

Russians made a one-two sweep in the pairs event, taking the silver in the men's.

in the women's competition it seems they might be out. With only the free remaining tomorrow.

East German Anett Schuch held the lead over Larus of West Germany Susan Drano of Italy.

Munari Is Winner
Fourth Time
Monaco Rally

MONTE CARLO, Jan. 28 (UPI)—Munari of Italy drove a Fiat Stratos to a record fourth victory today in the Monte Carlo Automobile Rally.

who also won for a second time in 1975 and last year.

and teammate Silvio Malsag led 3 minutes 10 seconds ahead of Jean-Claude.

and his female co-driver, "Biche," in a Fiat Abarth's Xenzini and teammate.

of Spain in a Fiat 127, 10:04 minutes off pace.

other Spaniards, Gual and Las and Torres Ferrer, in a Fiat 127, finished 14:30 behind.

and B. Cordes of France in a Porsche Carrera were 23:04 off the pace.

women's team, Christine and Colette Gault, in a Fiat 127, finished 24:57 behind.

Munari's fourth victory equaled record set by Frenchman Trevoux, who won in 1924, 1949 and 1951. Munari also won first to win the rally three in a row.

Tied for Lead
Golf Tourney

SAN DIEGO, Jan. 28 (UPI)—Elliott, Bob Zender, Homeroas, Tom Watson and Donny had little trouble hitting two courses at Torrey Pines today in the opening round of the \$100,000 and \$100,000 San Diego Open.

Arpaia, who had a 10-hole handicap, still unable to catch up, struggled home a 10-over 74.

who won the 1975-1976 classic last year for his victory, and Zender, who had a 10-hole handicap, still unable to catch up, struggled home a 10-over 74.

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four Wednesday, recklessly attacked the 45-gate second leg to move from second position with a total time of 53.00 seconds.

Emmett was second in 54.41, ahead of Austrian Monika Kaserer, third with 54.70.

After setting the fastest half-way time of 22.38, Pelen slackened her pace on the 45-gate first leg to time 42.35, just behind West German Pamela Behr, fastest with 42.28. Both legs dropped 150 meters over a distance of 450 meters.

Broke 42 Seconds

Twice near to falling, Pelen lunged down the second course, clocking the best half-way time of 21.23 and a second-leg total of 41.37. Emmett was the only other competitor to break 42 seconds on the second leg.

"It was such a pity that Lisa-Marie couldn't finish the course," Pelen said. "She is such a good skier. I hate to think I beat her."

Moreau, a slalom specialist, dropped her ski pole at the third gate of the first leg and dropped out after trying to finish the course.

She was obviously tired. "OK, OK, so I dropped my ski pole," was all she would say.

She retained the overall Cup lead, however, with a total of 103 points. She is favored to tomorrow's giant slalom at Megeve.

Top French Form

Today's result, with the French finally hitting top form on their own territory, did little to change the World Cup standings at the top.

The top five positions were all unchanged with Austrian Annemarie Froelich-Moser second with 174 points, followed by Austrian Brigitte Totschke-Habersatter, with 147.

Hanni Wenzel of Liechtenstein, who fell on the second leg, was fourth with 131 points, in front of Marie-Therese Nadig of Switzerland, fifth with 122. Nadig, who had been expected to do well at Saint Gervais, twisted her shoulder in training yesterday and scratched.

Pelen's victory moved her from 10th position to 7th with 79 points.

WOMEN'S SLALOM

1. Perrine Pelen, France (53.00-41.37, 54.30); 2. Patricia Moir, France (53.00-41.37, 54.30); 3. Brigitte Totschke-Habersatter, Austria (53.00-41.37, 54.30); 4. Pamela Behr, West Germany (53.00-41.37, 54.30); 5. Hanna Wenzel, Liechtenstein (53.00-41.37, 54.30); 6. Marie-Therese Nadig, Switzerland (53.00-41.37, 54.30); 7. Hanni Wenzel, Liechtenstein (53.00-41.37, 54.30); 8. Christine Cooper, U.S. (53.00-41.37, 54.30); 9. Christine Cooper, U.S. (53.00-41.37, 54.30); 10. Christine Cooper, U.S. (53.00-41.37, 54.30); 11. Christine Cooper, U.S. (53.00-41.37, 54.30); 12. Christine Cooper, U.S. (53.00-41.37, 54.30); 13. Christine Cooper, U.S. (53.00-41.37, 54.30); 14. Christine Cooper, U.S. (53.00-41.37, 54.30); 15. Christine Cooper, U.S. (53.00-41.37, 54.30); 16. Christine Cooper, U.S. (53.00-41.37, 54.30); 17. Christine Cooper, U.S. (53.00-41.37, 54.30); 18. Christine Cooper, U.S. (53.00-41.37, 54.30); 19. Christine Cooper, U.S. (53.00-41.37, 54.30); 20. 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